

JPRS 81703

3 September 1982

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2312



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

3 September 1982

EAST EUROPE REPORT

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2312

CONTENTS

GERMAN DEMOCRATIC REPUBLIC

- Efficient Use of Energy in Transportation, Heating Urged
(Wolfgang Rauchfuss; PRESSE-INFORMATIONEN, 15 Jul 82) ... 1
- Inefficiencies in Use of Labor, Machinery Criticized
(Wolfgang Beyreuther; EINHEIT, Jun 82) 8
- Order Enacted on Control of Liquid Energy Sources
(GESETZBLATT DER DEUTSCHEN DEMOCRATISCHEN REPUBLIC,
24 Mar 82) 16

HUNGARY

- Foreign Trade Enterprises' 1981 Results Viewed
(Erzsebet Alpari; FIGYELO, 23, Jun 82) 24

POLAND

- Complex Problems of Economy Reviewed
(ZYCIE GOSPODARCZE, 25 Jul 82) 27

YUGOSLAVIA

- Kiro Gligorov Discusses Economic Policy
(Kiro Gligorov Interview; DANAS, 22 Jun 82) 32
- Goods Turnover in Maritime Ports, 1972-1982
(Atanasije Spasic; TRANSPORT, May 82) 40
- Agricultural-Food Production Plans To 1985
(Dusan Katic; GLASNIK POLJOPRIVREDNE PROIZVODNJE,
PRERADE I PLASMANA, Jun-Jul 82) 44

GERMAN DEMOCRATIC REPUBLIC

EFFICIENT USE OF ENERGY IN TRANSPORTATION, HEATING URGED

East Berlin PRESSE-INFORMATIONEN in German No 82, 15 Jul 82 supplement pp I-III

[Excerpt from speech by Wolfgang Rauchfuss, deputy chairman, Council of Ministers, and chief of the Council's Central Energy Commission: "Use Energy Efficiently Everywhere--Great Demand on Energy-Efficient Work"; presented at the Council of Ministers' Eighth Seminar on "Efficient Use of Energy" in June 1982]

[Text] The Council of Ministers' Eighth Seminar on "Efficient Use of Energy" was held in June 1982. Approximately 600 state and economic functionaries from ministries, combines and local councils in an extensive exchange of experiences discussed the further tasks of our energy economy. The following are excerpts from the speech.

With great continuity and purpose, all party and government resolutions on our energy policy have since 1971 been proceeding both from developing an energy base through a maximum use of our own fuel resources and in close collaboration with the USSR and from the thriftiest and most efficient use of energy. We have done remarkably well in the implementation of this policy, especially since the 10th SED Congress.

In the last 8 years, primary energy consumption per unit of national income was reduced annually by an average of 2.9 percent. In 1980 and 1981, economic development was kept dynamic without any increased use of primary energy and with public supplies remaining stable. That rates all the more as, simultaneously, the thus far most significant changes in the energy structure took place.

Our combines bear a great responsibility in all tasks for the thriftiest energy use; their performance must be increased with less energy in absolute terms. As Guenter Mittag pointed out at the Central Committee seminar in Leipzig, this is a matter not of a relative but of an absolute reduction of consumption of energy, as well as of base and working material. For that reason, to enforce the highest standards for the efficient use of energy, energy use contingent management and planning have to be further refined, which means in particular that the elaboration and application of sound technical-economic energy consumption norms have to continue consistently and precepts and proscriptions for energy use have to be enforced without any compromise.

Conducting Performance Comparisons

The situation demands enforcing the criteria of utter thriftiness everywhere, radically cutting down on the use of all imported liquid, gaseous and solid energy sources, especially on heating oil, and ensuring an extensive and efficient use and refining of raw lignite. It is imperative for all combines, enterprises and facilities to engage in a resolute effort to eliminate all avoidable energy losses.

Energy performance comparisons among the combines in our economy become exceptionally important in this regard for the management, planning and control of energy-efficient processes. What is wanted is a visible and measurable comparison in the energy development of our large efficient combines. The yardstick is to reduce energy consumption while our performance increases.

The necessary pace is set by such combines with high reduction rates in energy-intensity as the VEB Walter Ulbricht Leuna Works, the VEB Hermann Matern Band Steel Combine, the VEB Herbert Warnke Robotron, Ship Bulding, Forming Equipment Combine, the Fritz Heckert Machine Tool Combine, and the Ball Bearing and Standard Parts and Textile Combine, Cottbus. We systematically extend the performance comparison, which has become regular procedure in the Central Energy Commission conferences; it has to be organized among the enterprises in each combine to provide all enterprises with the best results and experiences without any delay.

The criterion for sound energy-efficient work in each combine principally is to reduce energy consumption in absolute terms. Achieving economic performance goals with less energy does, however, not only apply to the combines in our economy. Experiences in such cities as Rostock and Cottbus have demonstrated it is possible to tap significant energy reserves also in the non-producing areas, the cities and communities, without detriment to public supply requirements.

Further Reducing Transportation Expenditures

Reducing transportation expenditures turns out to be a central issue. Still in 1982 we have to reduce that by at least 20 percent. So we must mainly check the division of labor and cooperation relations in all economic branches to reduce transportation expenses and exchange cooperation performances on a territorial basis, which includes making use of favorably located raw material and material resources.

Other measures to save fuel are shifting more shipments from roads to railroads and waterways; the railroad is to get more electrification to that end, and all combines and enterprises have to make a significant contribution to it by accurately scheduled loading and unloading activities and by handling freight cars with care.

Perfecting the planning and balancing of transportation requirements and strict management, accountability and control of transportation processes are indispensable for meeting this task, which is of the greatest economic significance.

For agriculture, forestry and the foodstuffs industry, we have to make a general rule of the experiences in Nebra Kreis with reducing transportation and saving fuel. To reduce diesel fuel consumption in stationary facilities we must speed up measures for using electrical engines.

Reducing specific energy consumption in 1982 by at least a 65 million ton raw brown coal equivalent, compared with 1980, makes high demands on science and technology. More than 80 percent of the savings must come from scientific-technical measures. To maintain top positions, a crucial contribution has to come from R&D, for the energy efficiency of the technological processes in our economy as well as for the development of our products and procedures with top international energy consumption values.

What do we have to concentrate on? Roughly one-third of the potential saved has to come from energy conversion and distribution processes. The main reserves are found in electrical energy and heat production, for which more than 60 percent of the raw brown coal mined in the GDR is used. More than ever must now all combines and enterprises in the economy place on their agenda the improving of the intra-plant heat production. Important tasks are to be solved in the technological energy application processes. From there has to come more than one-third of the overall savings anticipated in the five-year plan. First and foremost, we must cut out all waste in dealing with energy.

The Workers and Farmers' Inspectorate and the Energy Inspectorate have indicated that faulty or nonexistent insulation and packing, inadequate maintenance and repair of the available measuring, control and regulating technology, lack of mastery over energy process transactions, and faults in the work with technically and economically sound energy consumption norms cause losses of nearly 10 percent of the energy used. So we mainly must improve technological discipline, for which the elaboration and application of technically and economically sound energy consumption norms play a key role. On that basis it is possible to assign leads for demanding objectives to the brigades and collectives in socialist emulation.

The VEB high-grade steel combine enterprises are setting standards for it. In the whole combine, a high proportion of energy consumption complies with technically and economically sound energy consumption norms. Those norms form the basis for the socialist emulation among the smelters. They show up in proficiency-related wages and salaries and serve to ascertain the best workers. This procedure ought to become the norm everywhere.

Experiences with energy-intensive production processes teach us that by means of microelectronic process computer technology optimal structural procedures become possible which give rise to significant energy savings and productivity boosts. Thus it was possible in the VEB Schwarze Pumpe Gas Combine to fashion the complicated process of the group control of four pressure gas producers by means of microelectronics in such a way that the performance improved by 25 percent with significant savings in steam. By applying microelectronics to controlling the process, important effects in efficiency also were realized for foundry smelting furnaces, paper production, and transportation.

Secondary Energy--Cheap and Safe

Secondary energy constitutes a considerable energy potential; it can be put to use again in the form of waste heat and gas, fumes, solid heat, waste fuel and so forth.

As to the current state of technology, our economy can use an equivalent of circa 60 million tons of raw brown coal as secondary energy, but thus far only half of it is being used. Secondary energy now is for us the cheapest and safest energy alternative.

So we can do without high-grade energy sources. Prime costs are greatly reduced. For using it, our economy on the average gets along on from one-fifth to one-sixth of the expenditure that would be needed for making primary energy available. Economic reason alone demands tapping that on a priority basis.

Considerable efforts have been made in the last 2 years to produce the equipment needed for that. That entailed recuperators and regenerators, waste heat boilers, heat pumps and heat tubing.

Standards for this kind of work have been set by such combines as the Walter Ulbricht Leuna Works and the Fritz Heckert machine tool construction combine. Complex solutions for using waste heat were obtained through the cooperation between the Brandenburg steel and rolling mill and the Riesa tube combine with the energy combines and the municipal councils.

Also in commerce and public supply areas, public health and culture, the steps already taken toward using secondary energy must resolutely be carried on. Recycling waste heat in shopping malls, e.g., makes possible a saving of more than 50 percent of heating needed there. This is a principle that has to be enforced in all 1,100 shopping malls by 1985.

Less Expensive Heating and Lighting

Advances were made in 1981 in the implementation of the 10th party congress task to reduce energy consumption for heating new and reconstructed buildings by 40 percent in 1985 compared with 1980.

Thus far, more than 80,000 dwelling units were built with improved energy-efficiency solutions of the housing building series 70 plus slab construction, and specific heat requirements were reduced between 12 and 16 gigajoule per housing unit and year. Through the use of further developed house terminals and the gradual introduction of zonal and thermostat controls, and more of a reduction of room temperatures at night, energy savings between 10 and 15 percent came into effect.

In view of the high goals for energy-efficient construction, which will increase in the years ahead, infringements of technological discipline cut into the positive results already achieved and burden our country's energy balance. So we must mainly organize the effort for top quality on the building sites and in the slab plants, because it is not the value of projects but the heat consumption values attained in practice that turn energy efficiency to our advantage.

At the same time, it is a matter of improving a coordinated cooperation of the energy combines with official corporate bodies, communal housing administrations and workers' housing construction cooperatives, making janitors more efficient in their service tasks in heat transfer stations, and enhancing the control and regulation of heat supply systems. The time also has come to carry over more rapidly to enterprise vacation homes the experiences gathered in dividing heat cycles in the field of public education.

In industrial construction experiences have shown that radiator heating can save 20 percent and more compared with conventional air heating systems. Even so, this efficient heating system is still not enough used either in new construction or in reconstruction.

For lighting, the saving of electrical energy is of special importance. Right now, we use circa 12.5 percent of our electrical energy consumption for it. Since mid-1981 regulations have been in force to reduce electrical energy consumption for lighting by at least 20 percent compared with 1980, while maintaining the necessary lighting level.

On a basis of priority all those measures have to be undertaken that call for less material expenditure, such as the normal lighting load for general lighting and more of a use of illuminating the place of work, more of a use of fluorescent lamps and, primarily, sodium vapor high-pressure lamps instead of ordinary incandescent lamps, line interruptions and the use of electronic dimming switches.

The use of dimmers in the VEB Fortschritt Agricultural Machine Combine, Singwitz enterprise, brought energy savings of M 100,000 per year, with expenditures returned in only 4 weeks. The requisite measures according to the new TGL (GDR norms) must be carried out at once and without delay in all enterprises in order to enforce the 20 percent electrical energy saving in new construction and in operating available installations without detriment to the working people.

The reduction of electrical energy consumption is greatly affected by efficiency electronics. Reserves up to 30 percent of electrical energy used are to be tapped mainly in regulating electrical propulsion devices in rolling mills, open-pit mining installations, power plants and chemical installations, in inductive heating and smelting of metals, in providing pumps, compressors, fans, and blowers with electronic speed-control levers, especially in housing, the water management and agriculture, by converting current supply installations in mining, for tracked vehicles and for welding apparatuses.

The Local Councils' High Responsibility

No less important is energy efficiency in towns, kreises and communities. Almost half of our total energy consumption goes to the population and the communal area.

Recently the Council of Ministers dealt with these matters when the city council of Cottbus reported on experiences and results of efficient energy use. The work done in Cottbus sets standards for territorial energy efficiency. Considerable energy reserves become available if, under local council management, all combines, enterprises and facilities work together in using energy efficiently, advantage is taken of territorial rationalization, and the citizens get involved actively in this process.

Territories can gain a distinction only if at least two-thirds of the territorial combines, enterprises, socialist cooperatives and facilities with an annual energy consumption of at least 30 terajoule already gained the title or 75 percent of the energy consumption by the enterprises and facilities is represented by enterprises awarded distinctions. State contingents for energy sources have to be abided by, and very much use has to be made of secondary energy.

Rising Number of Exemplary Enterprises

Following the example of Dresden Bezirk, a highly energy-efficient and exemplary enterprise should be turned into a consultation base in each kreis available to all interested enterprises and facilities in the territory--regardless of their type of ownership and accountability status.

The development of exemplary enterprises that are highly energy-efficient has stood up well for 10 years already. More than 940 enterprises and institutions, several combines and the city of Rostock have thus far been given distinctions for their exemplary energy efficiency. Pursuant to the 10th party congress resolutions, the rules were revised for awarding distinctions for exemplary energy efficiency and the standards were raised in line with the requirements for the 1980's.

First and foremost comes abiding by state contingents. Exemplary energy efficiency means more than ever ensuring a high level of energy efficiency through extensively working with sound technical-economic norms, a high level of use made of secondary energy and high-grade products in the energy field as well. That is why in the enterprises already distinguished as well as in the enterprises and facilities engaged in the contest for the title, the situation should be carefully analyzed and--in view of the higher requirements--all forces should be mobilized to meet these goals in conformity with objective conditions.

High Demands for Training and Advanced Training

We have made good headway in recent years in training and advanced training. Thousands of cadres in energy got training and advanced training at colleges and technical schools.

The Chamber of Technology has done a lot to aid in this process in that it, e.g., has conducted courses for energy technicians in small and medium-size enterprises, for stokers and service personnel for heat conduction installations. Thereby, some 14,000 cadre will have been trained by the end of 1982 in the energy field. As requirements have risen, training measures must be further pushed. Combines like the VEB Werner Lamberz Polygraph Combine, Leipzig, or the VEB Concrete Works, Dresden, are organizing the advanced training for their college and technical school cadre systematically and are ensuring their attending courses.

Training and advanced training are critical for implementing the high goals in efficient energy use because the knowledge of political connections and great technical knowledge alone make conscious activities possible. For that reason, the combines and enterprises have to make full use of all training and advanced

training opportunities at the colleges and technical schools on behalf of solving our energy efficiency tasks. We still must more effectively organize the training, mainly, of stokers and boiler attendants, industrial furnace operators and service personnel for the heat connection stations, and this through cooperating with the Chamber of Technology, the energy combines and the bezirk energy inspectorates.

Carrying on our successful policy in implementation of the 10th party congress resolutions makes the highest demands on science and technology and the capacity of our combines and calls for energetic participation by all. Thanks to the purposeful political-ideological work under party leadership, we can rely on a broad mass basis and many new initiatives for coping with our greater tasks. In this, an important place value in socialist emulation attaches to such obligations as surpassing the plan tasks by a 2-day output without any extra energy and material allocations.

5885

CSO: 2300/374

GERMAN DEMOCRATIC REPUBLIC

INEFFICIENCIES IN USE OF LABOR, MACHINERY CRITICIZED

East Berlin EINHEIT in German Vol 37 No 6, Jun 82 (signed to press 7 May 82)
pp 601-607

[Article by Wolfgang Beyreuther, social scientist, member, SED Central Committee; state secretary for labor and wages: "Utilizing Society's Labor Capacities Efficiently"]

[Text] A qualitative development of society's labor capacities and utilizing them most effectively are imperative for consistent economic growth. How must scientific-technical progress be focused on it? How is the great educational potential to be used? What are the tasks of the local state organs in developing the labor capacities? About that, the article conveys extensive experiences in successful management activity.

Advances in socialist intensification, especially greater speed in making scientific-technical progress prevail for the sake of better qualities and production efficiency, are more and more dependent on how well we succeed in making the fullest use of the working people's knowledge, skills and experiences. Particularly their great intellectual-creative potential has to be systematically elevated and increasingly utilized in conformity with the requirements for our social development.

Critically boosting labor productivity this way and enhancing the effect of live labor, especially by way of consistent socialist rationalization, is a basic trait of our party's economic strategy for the 1980's that serves our continuing the course of the main task in its unity of economic and social policy and is aimed at strengthening our republic. Changing demographic conditions and the tense manpower situation make this need still greater but are by no means the most important, let alone the only, reason why we have to keep looking for new ways to employ the growing labor capacities with greater effectiveness. Any other assessment and other approach ultimately distracts us from our rationalization, leads to a call for more manpower, and impinges on our tapping our own reserves more extensively, properly cutting back jobs and gaining manpower.

Naturally we must keep in mind that there is a limit to the volume of manpower reserves in the GDR. The employment rate of our population at working age has already reached a high level, with nearly 93 percent, and the further manpower growth in the current five-year plan will provide circa 100,000 fewer persons than in the last five-year plan period. The producing area as such will have to manage virtually without any growth in manpower in the period up to 1985.* For the second half of the 1980's we even have to expect an absolute reduction in the volume of manpower. Because the necessary further development of our raw material and energy base, the development of the most up-to-date industrial branches and transportation, and certain welfare and supply areas must not suffer from that, other enterprises must all the more get ready for coping with the performance development they need with a reduced labor force.

These are problems which we certainly will be able to cope with on the basis of purposeful and far-sighted management activity in line with the resolutions on our economic strategy taken at the 10th party congress. The guarantee for it greatly lies in that a better use made of the qualitative potential releases reserves which will do more than just do away with certain quantitative limits. Often rather, higher, and surpassing, economic effects can then be attained. At the same time, consistent management activity, political-ideological work, especially in the work collectives, must create better prerequisites for a higher capacity use of working hours, reduce downtime, and thereby tap available quantitative reserves.

Of greatest importance for a more effective use of our labor capacities is the utilization of all reserves accessible to socialist rationalization and--closely linked with that--a higher effectiveness from the available intellectual-creative potential. Many combines and enterprises have already demonstrated that needed manpower can be gained by way of consistent socialist rationalization. Proceeding that way with all determination throughout our entire economy is not only facilitated but even impelled by the potential of highly qualified manpower, created with the help of our socialist educational policy, as it can still much more effectively be employed. More than 80 percent of the people working today are fully trained specialists, foremen, college and technical school graduates. That gives our republic a top position in the world; it provides it with fine opportunities to accelerate the scientific-technical progress and place its results ever more effectively at the service of the people.

A constant improvement of the qualification level and forming a highly effective manpower structure in line with the needs of the economy, and the employment, that meets those needs, of the growing potential, are gaining increasing importance for a smooth economic performance growth. There lie the most important, virtually inexhaustible, reserves of our labor force potential. Tapping these demands of our party and economic functionaries great insights into our economic strategy as it is correlated with our party's social policy. In the development of our manpower structure long range, our society's basic economic interests intersect with the objectives of our educational and cultural policy and each individual's claim to the development of his abilities and talents and to some vocational training for the benefit both of society and of the development of his own personality.

*cf. Comrade Erich Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den X. Parteitag der SED" (SED Central Committee Report to the 10th SED Congress), Dietz publishing house, Berlin, 1981, p. 40.

A high sense of political responsibility and economic foresight are as much needed to solve such problems as confident political-ideological work with the working people that clarifies matters, showing and explaining to them the ways through which social labor has to become more effective. And more than that: Ideological work also means explaining to them the objectives and consequences of rationalization in capitalism, where the achievements of the scientific-technical progress more and more oppose the people themselves, so that millions of workers are "rationalized away" and pushed into social insecurity. The host of unemployed, which in the developed industrial capitalist countries has by now nearly reached the 30-million mark, clearly reflects the antihuman nature of capitalist society, which pitilessly throws men out on the street if profit calls for it and then defames them as idlers or loafers.

Picking up the experience of the working people in our country, that an individual benefits from a person's full dedication to socialist society, we must make visible that both the personal interest and the good of society require in harmony that one's own developmental opportunities are fully brought to bear on the scientific-technical progress, economic requirements are taken account of, and a total commitment is made to economic performance growth and the strengthening of socialism. The will of the individual is critical for the degree of effectiveness of his work, based on sound education and high skill--appropriate objective labor conditions provided. All this confirms how important it is for each manager to let himself always be guided by that society's labor capacities--be it in the combine, in the enterprise or in the brigade--become all the more effective, the more socialist consciousness, fine education, ripening experience and skill fuse.

Targeted Use of Scientific-Technical Progress

The development processes in science and technology which form the centerpiece of our party's long-range economic strategy exercise an emphatic effect on the efficiency of society's labor capacities. This involves mainly an accelerated development and application of microelectronics, the use of industrial robots, the development of metallurgical and coal refining, more machinery with electronic controls and more of a use of electronic computer technology, including the rationalization of administrative work.

Through the measures connected with that and the further socialization of production in connection with the development of efficient combines, today and in years ahead the conditions will greatly change for the efficient use and social effectiveness of our labor capacities. Scientific-technical progress creates new effective conditions for live labor, especially by highly productive working tools. This growing material potential has to be combined with the labor capacities in such a way that optimum economic and social effects are achieved. Labor capacities become fully effective only when the possibilities of greater efficiency are realized through a maximum capacity utilization of the highly productive basic assets. From that vantage point it is necessary to gain the necessary manpower, through rationalization measures, for operating the new installations, train the working people in good time in their new labor tasks so they can fully master and use the new technology and as soon as possible feel at home in their new field of responsibility, and enforce the kind of labor organization that will provide steady and multi-shift full capacity utilization especially of such highly productive technology.

Were we to use the basic assets which at present are being used in industry for 15 hours per calendar day only 10 minutes longer each day, we could produce M 4.5 billion more in industrial commodities.* And through eliminating unjustified disparities in the use of machinery and installations, still far larger reserves could be tapped. That holds true especially for the use of modern robot technology, which must help still much more in eliminating heavy physical, burdensome, routine, monotonous and hazardous working conditions in the interest of the working people and implement with greater consistency all aims connected with the use of robots in cutting back jobs.

A higher benefit for society's labor capacities over the whole economic range also arises from a higher materials economy and a higher degree of refinement of raw materials and energy sources. Each ton of coal or steel not used saves working hours. Considering that those areas that primarily produce or transport materials, raw material and energy tie up more than half of our manpower in material production, avail themselves of circa two-thirds of all basic production funds and production investments, and induce circa three-fourths of all freight shipments, it becomes clear that each percent of saving also carries with it a considerable economic gain in material and financial funds and a significant saving in live labor. Using the labor capacities saved in the progressive industrial branches that are directly linked up with the scientific-technical progress aids the forming of an efficient production structure and ultimately renders live labor more efficient on the overall economic scale.

Progressive Structure for Labor Contents

The scientific-technical progress makes for important changes in the content of labor. Through increasing intricacies and complexities of the production process, the demands are growing, especially, that are made on the working people's knowledge of theory and responsible operations, on the technological mastery over production, and on the level of production and labor organization. That has to be kept in mind always in the development of society's labor capacities.

Special importance attaches to the structuring of progressive labor contents. "If we reflect on efficiency measures, our maxim must be: dealing most sensibly with the most valuable--human labor capacity. We can afford less and less to let man's unique capability, his creativeness, lie fallow in routine work in production or in administration."**

The significant economic and social weight of that orientation is corroborated by the fact that at present there are in industry still circa 600,000 production workers who mainly perform manual or simple service activities, and that there are circa 300,000 working people of relatively low productivity and, partly, under heavy physical stress, working in auxiliary or subsidiary processes.

*Cf. "SED Central Committee Secretariat Conference with Kreis First Secretaries, Comrade Erich Honecker's Speech," NEUES DEUTSCHLAND, 13/14 February 1982, p 2.

**Comrade Guenter Mittag's concluding speech, "Mit der Kraft der Kombinate fuer weiteren hohen Leistungsanstieg" (With the Force of the Combines for Continued High Performance Growth), Dietz publishing house, Berlin, 1980, pp 46-47.

There are important reserves here for gaining manpower for productive and more substantive tasks, to be provided by way of socialist rationalization. Identical effects for improving the effectiveness of society's labor capacities can be achieved through rationalization investments where manpower requirements are optimized through scientific labor penetration and the labor tasks are structured in such a way that the working people's high skill level is fully used, heavy physical labor is reduced and health protection and labor safety are ensured from the outset.

In the past, investments normally created three to four times as many new jobs as they cut down. Today, that ratio has already been reversed in a number of combines. That includes the EAW Friedrich Ebert Combine, Berlin, Communication Electronics, Leipzig, Textima, Karl-Marx-Stadt, Gisag, Leipzig, the Herbert Warnke Forming Equipment, Erfurt, and Rostock's Fish Combine. After already in 1980, in the areas of the ministries for machine tools and processing machinery and general machine construction, agricultural machine and vehicle construction more jobs were cut back than newly set up, this positive result was also achieved in 1981 in all of heavy machine and plant construction and in the centrally managed combines of the ministry for the bezirk-managed and foodstuffs industry.

An important reserve for enhancing the efficacy of live labor lies in target-directed training and advanced training and in assigning the working people in line with their proper occupational and training qualifications. That implies several tasks.

For one thing, it is necessary to handle the whole development of new blood in such a way that the training of young specialists and the assignment of new college and technical school graduates better conform, in terms of quantity, quality and time, with the future needs of our economy and the basic trends of scientific-technical progress.

Second, the new requirements call for target-directed training and advanced training for the working people so that they can still better handle any given labor tasks and in good time can get ready for new assignments.

Third, qualitative new tasks have to be coped with in channeling manpower into new priority enterprise and economic projects.

The aim of all these measures is to develop society's labor capacities in full harmony with changing production conditions and tap performance reserves thus far unused through assigning working people in line with their occupational and training qualifications. Identical survey results from more than 100 centrally managed industrial combines indicate we clearly have an educational lead which must to a much larger extent be used for speeding up the rate of growth in labor productivity. There are not a few college and technical school graduates and foremen at present who could, because of their level of training, do more skilled work, and there are too many specialists not working in the trade they have learned or one similar to it. It means available labor capacities lie fallow or are not fully used because assignments are alien to the learned trade. In other cases, however, there is a need to catch up in training because more than 60 percent of the unskilled workers are now assigned to tasks that would require at least partial training, often even specialists' certifications.

Using Successful Management Activity Experiences Everywhere

The massive rationalization of production and labor processes aiming at making the working people's labor capacities economically much more effective places higher demands on management activity. That is shown, e.g., by experiences of the party organizations in the VEB Schwedt Petrochemical Combine, the Mansfeld Combine and other combines.

First, we must deepen the insight that the manpower needed for new production installations, for boosting the construction of means of rationalization and for multi-shift capacity use of basic assets can only be gained through broad rationalization and must, in a target-directed manner, be trained for the new tasks. Party activists conferences on the bezirk and kreis level as well as in combines and enterprises, discussions about that the needed performance growth has to come about by means of the available labor capacities and that demands for additional manpower are misguided have significantly helped in tapping intra-enterprise and territorial manpower reserves.

Second, it is crucial for the speed and efficacy of socialist rationalization that all working people are drawn into an active participation in the solution of these tasks. The high criteria for rationalization "at new dimensions" can indeed only be achieved if the concrete targets and tasks are set down for each work collective and deliberated on together with the working people. That implies thoroughly explaining the basic rationalization trends and informing the working people properly ahead of time about the new jobs for which they are needed and what conditions and requirements they will have to expect for the future. On that basis their willingness also develops to get involved in this rationalization and prepare themselves for the new jobs.

The third basic condition is a long-range strategy for socialist rationalization that combines the most advanced science and technology data with the working people's best work experiences and wealth of ideas. The measure for it is a complex and streamlined rationalization of the entire reproduction process, the most efficient handling of production auxiliary and subsidiary processes and of the management and administration while the latest technologies and a more efficient handling of the overall process are instituted.

And here it has been found useful, in the Wilhelm Pieck Combine in Mansfeld, e.g., that on the basis of such long-range rationalization strategies at the same time long-range "complex programs for the most efficient use of society's labor capacities" were elaborated. These documents rely on a precise analysis of the labor capacities available and their use, and they make possible realizing the future production, the recruiting of manpower for new tasks, and the systematic distribution and full utilization of the labor capacities in accordance with the requirements of the reproduction process and the most effective structure for the "industrial all-around worker."

A fourth experience indicates that scientific labor organization significantly marks the nature of socialist rationalization, being an indispensable element of scientific-technical progress. Only the application of scientific labor organization makes high efficiency possible in the use of new techniques and

the latest technologies. Thereby the whole division of labor and cooperation, all working areas and jobs and the coordination of the main, auxiliary and subsidiary processes are reorganized and the kind of working conditions are created which further shape the creative character of labor, free labor from burdens, and afford the working people the opportunity to make the fullest use of their skills.

Decisive here is the experience that the whole process of socialist rationalization, following the example of Schwedt, is marked by a close connection between scientific labor organization and mass initiative. According to the party resolutions, scientific labor organization in the years after the ninth party congress turned into a veritable mass movement for the socialist rationalization of jobs and labor processes. That is clearly attested to by the permanent active involvement of more than 300,000 working people in the volunteer scientific labor organization collectives.

Systematic Coordination Between Branch and Territorial Tasks

The efficacy of labor capacities greatly depends on how men's living conditions, the opportunities for recreation and care, commuter traffic, educational institutions and other factors in working and living conditions are organized within the territory. That in turn calls for deepening the cooperation between local state organs and the managements of the combines, enterprises and cooperatives. Through mutual agreements the kind of measures have to be set down that ensure such a complex organization of working and living conditions while they also help tap all local manpower reserves. As experiences gained under the Zwickau Kreis SED management show, such coordinated procedures can also encourage territorial rationalization, workers' welfare, and the cultural and social care for shift-workers with good effect.

It is characteristic of the concerted efforts of enterprises and local state organs in Stassfurt Kreis that the enterprises' long-range rationalization and manpower conceptions are accommodated to territorial conditions and opportunities. That is necessary to establish the manpower requirements in the enterprises precisely and enhance the realism of the manpower plans. It has also been found useful here that the local state organs, from the vantage point of territorial requirements, bring an influence to bear on the rationalization projects in the enterprises and agree on the recruiting, effective reemployment or hiring of manpower.

It conforms with the joint responsibility of the enterprises and the territorial managements that the enterprise manpower conceptions are turned into a uniform conception on the effective use of labor capacities in the territory. Such cooperative work helps determine long-range the proper distribution and channeling of labor capacities available in terms of branches and areas and shore up economic requirements. Agreement on real manpower requirements and on the time when they arise, and also with regard to their quantitative and qualitative structure, is extremely important for the solution of these tasks. Also the training of new workers proper as to occupations and qualifications and the planned recruiting of manpower for major economic tasking areas, to come from the rationalization process, and the measures derived therefrom for the training and advanced training of working people call for long-term preparations and

accords. The elaboration of long-term conceptions for the development and full use of society's labor capacities responds to the demands of the 10th SED Congress better to control the linkage of the complex processes in the economy and in science, and in the social and cultural field, and to make management activity still much more prescient. Experience shows it brings us many benefits. It fosters management and efficiency development in the enterprises and combines and lends new impulses to territorial rationalization, and it helps further improve the working and living conditions.

5885

CSO: 2300/377

GERMAN DEMOCRATIC REPUBLIC

ORDER ENACTED ON CONTROL OF LIQUID ENERGY SOURCES

East Berlin GESETZBLATT DER DEUTSCHEN DEMOCRATISCHEN REPUBLIC in German
Part I No 10, 24 Mar 82 pp 192-195

[Official text of "Order of 9 February 1982 on Planning, Balancing and Delivery as well as Accounting and Control of Liquid Energy Consumption --Supply Order for Liquid Energy Sources," signed by Minister for Chemical Industry Wyschofsky, effective 1 April 1982]

[Text] To guarantee the most economical use of liquid energy sources, managers of the appropriate central state organs have come to an agreement based on the energy order of 30 October 1980 (GESETZBLATT I, No 33, p 321) and the balancing order of 15 November 1979 (GESETZBLATT I, 1980, No 1, p 1), resulting in the following order:

Article I: Scope

1. This order applies to the supply to consumers of gasoline, diesel fuel, heating oil as well as liquid gas and fuel D (subsequently called liquid energy sources), it applies to capital sources and supply areas as well as to the producers and suppliers of liquid energy sources.
2. This order does not apply to the supply to citizens of liquid energy sources, it does not apply to consumers who purchase liquid energy sources against convertible currencies, vouchers of the Forum GmbH or international refuel vouchers or to consumers who are not subject to the quota system.
3. The regulations of this order apply to the supply of the demand of the supply areas 7710 and 770 as well as to similar demands established through central rulings, according to regulations issued by the appropriate ministers and directors of other central state organs.

Article 2: Definition of Terms

Within the context of this order, suppliers are:

- Producers
- competent specialized foreign trade enterprises
- enterprises dealing in manufactured products

Article 3: Planning and Balancing

1. Planning the demand for liquid energy sources is to take place in accordance with the legal directives on planning. Planning is to be based on supply areas and state tasks for the preparation of plans dealing with:

- quota systems for the consumption of liquid energy sources,
- tasks for lowering the specific consumption of liquid energy sources,
- norms of energy consumption and storage,
- state tasks for the development of production, meeting demands as well as providing services for transporting people and goods,
- objective and concrete tasks for the substitution of liquid energy sources, particularly heating oil,
- tasks for shifting transportation from the street to the rails and inland waterways.

2. The managers of the supply areas explain their state tasks to the capital planners and the managers of capital sources to the customers. Planning the demand is to take place in accordance with the principles of strict conservation. Specific energy consumption is to be lowered systematically. Measures are to be prepared and identified to lower consumption and to guarantee the usability characteristics of liquid energy sources and also regular maintenance and care of installations and vehicles. The goals for the most economic use of liquid energy sources as well as the application of progressive norms and characteristics of energy consumption are to be included in socialist competition.

3. The demand for liquid energy sources is to be planned within the respective supply areas by the customers and capital source planners. The respective supply areas pass along their demands for supplies simultaneously to:

- the balancing organ
- the ministry responsible for maintaining the balance
- the balance-keeping organ

in accordance with the legal regulations on planning¹ and the balancing schedule.²

4. The demand for liquid energy sources for conversion and user installations that started operations after 31 December 1969 may only be planned for the maximum amount established in the decision on energy use.³ The use for operating other installations is not permitted.

5. Conversion and user installations that started operations before 31 December 1969 may only be planned with the amount that was used in 1979, unless another central decision was made.

6. Direct buyers of gasoline and diesel fuel are required to inform the balance-keeping organ about the planned amount needed for direct purchases.

Article 4

1. State plan figures that are handed over to supply areas are:

- Quotas for liquid energy sources for the year and for quarter years,
- norms of energy consumption and storage,
- objective and concrete measures for the substitution of liquid energy sources.

2. The quotas for gasoline and diesel fuel include the consumption for services for the transportation of people and of goods that are carried out with transportation capacities owned by combines, enterprises and establishments as well as the consumption for production purposes and other services listed in the appendix, for remaining services and for trips by car.

3. The managers of the supply areas and the capital planners are to explain state plan figures in accordance with section one to capital planners and customers under their jurisdiction and to pass them on to them. The respective managers are to guarantee the observance of state plan figures, particularly with respect to applicable quotas, within their area of responsibility.

4. With respect to the use of capacities of other areas of the economy by transportation organs, the minister for transportation is establishing a disposition fund for diesel fuel.

Article 5

The supply areas or capital planners are to inform the balance-keeping organ and the VEB Combine Minol within 10 days after receiving quarterly quotas about the proposed use, listed according to months and divided into Minol and direct purchases. With respect to heating oil quotas, listings are to be subdivided according to type of product and customers. In cases of violations of the information requirement, the balance-keeping organ is entitled to issue temporary delivery directions for heating oil, which represent the binding contractual basis until the expiration of 5 working days following the actual receipt of the information. For the purchase of liquid energy sources from the VEB Combine Minol an agreement is to be made between the balance-keeping organ and the VEB Combine Minol.

Article 6

1. Quarterly quotas are the binding basis for the order, the conclusion of the contract and the purchase of liquid energy sources between the supplier and the customer. With respect to the purchase of heating oil, delivery terms are to be agreed upon contractually between the managers of capital sources as well as the manager of the balance-keeping organ.

2. For diesel fuel, customers receive allocation papers and/or diesel-fuel limit-certificates from the issuing agency for diesel fuel assigned to their area, representing the VEB Combine Kraftverkehr or the VEB Verkehrs Combine, against presentation of proof of the quota assigned to them by capital planners.

3. At the end of the quarter, quarterly quotas become invalid.

Article 7

1. The allocated quarterly quotas for liquid energy sources must agree with state plan figures and they are the upper limits which must not be exceeded. The quotas of "consumption" of liquid energy sources which are not needed, due to changed conditions, must be returned immediately by the enterprise to the capital planner. The capital planner has the right to carry out justified redistributions while maintaining his quota to guarantee the tasks of production, supply and transportation. With respect to heating oil, reductions in consumption can be undertaken to increase inventories, if the balance-keeping organ does not make a change in the quota of "purchases." The increase in inventories does not justify an amount that exceeds the quota of "consumption." Inventories are to be considered when quotas are established for the subsequent period.

2. The managers of capital sources have the right to carry out redistributions of quotas within the framework of applicable central agreements if annual amounts are maintained. The managers of the supply areas have the right to carry out redistributions between combines and economic management organs under their jurisdiction. The affected combines, enterprises and customers are to be furnished with new quotas. Resulting changes in the purchase of heating oil are to be agreed upon with the balance-keeping organ before the 10th of the preceding month.

Article 8: Purchase of Liquid Energy Sources

1. Gasoline is to be bought on the basis of allocated quotas by direct purchases and/or from filling stations or fuel distribution facilities of the VEB Combine Minol or from facilities for personal consumption that are authorized to sell fuel to the public.

2. Diesel fuel is to be bought on the basis of allocated quotas by direct purchases and/or from fuel distribution facilities of the VEB Combine Minol with allocation certificates or from filling stations and facilities for personal consumption authorized to sell fuel to the public against diesel-fuel limit-certificates. When diesel fuel is bought by using the refuel certificate procedure,⁴ diesel-fuel limit-certificates are to be affixed to the back of the refuel certificate and to be handed to the station attendant. Customers who do not participate in the refuel certificate procedure are to affix the diesel-fuel limit-certificate to the back of the receipt which remains with the filling station. The diesel-fuel limit-certificates are to be invalidated following the fill-up.

3. Heating oil is to be purchased on the basis of allocated quotas by direct purchases, through heating-oil carrying distribution facilities of the VEB Combine Minol or from the appropriate foreign trade enterprise. The VEB Combine Minol is to be informed by the balance-keeping organ about the amount of the quarterly quotas of its customers.

Article 9: Basic Principles of Contract Terms

1. Delivery contracts for liquid energy sources are to be concluded as quarterly agreements.
2. Deliveries that exceed the amount agreed-upon on the basis of quarterly quotas are to be considered as early deliveries for subsequent periods.
3. To build inventories in the interest of the state economy, suppliers of heating oil have the right to make deliveries in excess of the agreed-upon amount until the maximum storage capacity has been reached. These quantities are blocked inventories and the customer cannot use them without the express permission of the balance-keeping organ or the VEB Combine Minol. These blocked inventories are to be listed separately on statements.
4. When reduced shipments are caused by the producer or the supplier, subsequent deliveries are to be made at the request of the customer within the plan year until the agreed-upon amount is reached, if the planned inventory was not attained by the end of the quarter.

Article 10: Accounting

1. As far as accounting procedures for suppliers and customers are concerned, the provisions contained in the balance schedule and in the regulations of the State Central Administration for Statistics apply.
2. The consumption of diesel fuel (subdivided according to transportation and shipping services as well as production needs) and gasoline is to be computed by selected supply areas on a monthly basis before the 20th working day of the following month and to be submitted to the Ministry for Chemical Industry.
3. Selected customers are to report daily on the inventory of heating oil according to types of products and submit the report to the balance-keeping organ.

Article 11: Exceptions to the Regulations

In unusual situations the minister for chemical industry decides on the operative measures to be applied concerning the supply of liquid energy sources within the framework of the state plan characteristics, or he will make the necessary decisions in agreement with the managers of the affected central state organs. The decisions intervene in existing agreements and are binding for all contractants. For heating oil the stepwise program confirmed by the Council of Ministers is in effect.

Article 12: Control

The managers of the supply areas are required to guarantee the most economical use of liquid energy sources within the framework of allocated quotas. They have to make sure that:

--the internal accounting and control of the enterprise lists the exact amount of consumption,
--a constant control is carried out in combines, enterprises and establishments within the sphere of their responsibilities and that legal regulations are followed and norms and material stimulation of conserving liquid energy sources and emission control standards are maintained.

Article 13

1. The energy inspection of the Central Energy Commission of the Council of Ministers, Bezirk energy inspections, the state traffic inspection and the balance-keeping organ for liquid energy sources have the right to carry out controls at the site of customers who are supplied with quotas and the site of their capital planners. The controls extend to the adherence to the directives of this order and the implementation of the legal regulations which influence the consumption of liquid energy sources. The results of the controls are to be made available to the balance-keeping organ.

2. If controls yield information that:

- (1) the allocated quota of liquid energy sources is used for purposes other than those established by the directives of this order or
- (2) the legal regulations for the most economic use of liquid energy sources has been violated or
- (3) unjustified demands were submitted by the customer,

the controlling organs are required, in accordance with section 1, to issue instructions for the adherence to the provisions of this order and whenever item (1) and (2) apply, they have the right to propose economic sanctions in accordance with article 17, section 1, item 2 of the order of 26 January 1978 for the guarantee of uniformity between agreement and plan at the time of conclusion and fulfillment of economic contracts (GESETZBLATT I, No 6, p 85) or, whenever item (3) applies, they have the right to impose economic sanctions in accordance with article 34 of the balancing order of 15 November 1979 (GESETZBLATT I, 1980, No 1, p 1).

3. When violations have been established according to section 2, customers are obligated to compensate for any resulting overconsumption during the subsequent months of the plan year.

Article 14: Final Regulations

1. This order will go into effect on 1 April 1982.

2. The order of 3 June 1980 on planning, balancing and delivery as well as accounting and control of liquid energy consumption--supply order for liquid energy sources--(GESETZBLATT I, No 19, p 180) will expire simultaneously.

Appendix to Above Order

List of vehicles, aggregates and special services, the need of which for liquid energy sources is to be planned for production purposes and other uses:

- Diesel locomotives
- ships of high seas and inland waterway transportation
- ships for high seas, coast and inland waterway fishing
- fixed installations
- mobile and portable aggregates
- agricultural machinery, tractors and trucks used in agriculture
- construction machinery including dump trucks as well as vehicles with concrete mixers and drums
- crane installations including autocranes and mobile cranes
- loading equipment for bulk goods
- fork lifts
- utility vehicles of the Diesel engine type, including the multicar type
- utility vehicles with special equipment⁵
- fire trucks and equipment
- ambulances
- vehicles for health care with special equipment and facilities
- specialized vehicles for community service (for instance, garbage and waste collection trucks, street-cleaning machinery, sewage trucks)
- maintenance trucks and repair vehicles with special equipment
- tow and salvage trucks
- construction gang trucks
- customer service vehicles and service vehicles with special equipment and facilities
- vehicles equipped with recording and reproduction technology (for instance, cars equipped with loudspeakers and filming equipment)
- hearses
- vehicles for the removal of animals
- vehicles with spraying attachments for artificial fertilizers
- vehicles and engines for trial and test runs as well as services for the plan of science and technology
- laboratory and measuring vehicles
- vehicles and tractors for transporting persons working in strip mines
- vehicles and tractors that are steadily or primarily used in underground mines and mine shafts
- vehicles and tractors that are steadily or primarily used on company grounds (for instance, in quarries, gravel and sand pits)
- vehicles that are used to supply workers.

FOOTNOTES

1. At present the order of 28 November 1979 on the order of planning the GDR economy between 1981 and 1985 (GESETZBLATT, Special edition, No 1020 a-r) as well as the order of 30 April 1981 on the amendment to the order of planning the GDR economy between 1981 and 1985 (GESETZBLATT I, No 14, p 140) are in effect.
2. At present the order of 30 March 1980 on the nomenclature for the planning balancing and accounting of material equipment and consumer goods for the preparation and implementation of the annual economic plans--balance schedule--(GESETZBLATT, Special edition, No 688/11) as well as modifications and amendments to the above are in effect.

3. At present the energy order of 30 October 1980 (GESETZBLATT I, No 33, p 321) as well as the third implementing regulation to the energy order of 10 September 1976 (GESETZBLATT I, No 38, p 456) in the version of the order No 2 of 12 March 1979 (GESETZBLATT I, No 8, p 76) and order No 3 of 10 November 1980 on the change of the third implementing regulation to the energy order--energy consumption/energy equipment--(GESETZBLATT I, No 33, p 335) are in effect.
4. At present the order of 6 September 1978 on the use of refuel certificates for the purchase of gasoline and diesel fuel by social customers (GESETZBLATT I, No 31, p 347) and the order of 11 September 1978 on the conditions for the purchase of fuels and motor oils through the refuel certificate procedure of the VEB Combine Minol (GESETZBLATT I, No 31, p 348) are in effect.
5. Special equipment of this kind consists of structures that are permanently attached to vehicles, which eliminates their use as vehicles for the transportation of people and goods.

8991

CSO: 2300/360

FOREIGN TRADE ENTERPRISES' 1981 RESULTS VIEWED

Budapest FIGYELO in Hungarian No 25, 23 Jun 82 p 9

[Article by Erzsebet Alpari: "A Profits of Foreign Trade Enterprises"]

[Text] Foreign trade profits in 1981 rose only moderately, by 3 percent compared to last year. At the same time, the profit structure points to positive changes in contractual relations. Last year--due also to the influence of price changes initiated during the year--the level of rates charged in the distribution of commodities became more moderate and, simultaneously, revenues from revenue-sharing with producing enterprises grew.

For the most part, the goals of the price and finance measures implemented in 1980 were realized: namely, that foreign trade enterprises' profits should be primarily dependent upon market prices, cooperation with domestic partner enterprises, and the effectiveness of this cooperation; and only secondarily upon the volume of commodity trade.

Preceding the 1980 price and finance measures, foreign trade enterprises paid a substantial amount of turnover tax into the State's budget. This tax on trade primarily encouraged the growth of trade and profit volume, while repressing effectiveness at times, often serving as cause for arguments between foreign trade and producing companies and hindering the spread of cooperation formats based on joint risk-taking. During the 1980 price adjustments, the export-import commissions, overhead, and price markups have dropped markedly [approximately by 60 percent] while the turnover tax was simultaneously terminated for prime export contractor enterprises.

During the initial year of the price adjustments, uncertainties regarding commissions, but mostly the utilization of overhead, showed at several companies and, finally, the level of commissions dropped less than had been estimated. In 1981, there was a further reduction in commissions. Last year, the majority of foreign trade enterprises realized commission revenues and profits in accordance with price regulations. There were a few companies which embarked on price and revenue policies divergent from financial regulations. These policies compensated for the decline of prescribed commissions and overhead with the increase of other commission-type revenues, for example, brokerage fees.

Increasing Dispersion

Cooperation between producer and foreign trade enterprises based on a joint consideration of world market prices, even in domestic price negotiations, serving the national economy, and concurrently, the number and ratio of consignment and partnership contracts utilizing hard currency calculations and aimed at hard currency profits are all characterized by an upward trend.

Thirty-eight percent [1980] and 49 percent [1981] of the rubel-calculated export, and 66 percent [in the years 1980 and 1981] of the non-rubel-calculated export was cleared through profit-sharing consignment or partnership contracts. concerning imports, the share of these contracts in the transactions was smaller. Nine percent [1980], 10 percent [1981] of the rubel-calculated import, and 33 percent [1980], 32 percent [1981] of the non-rubel-calculated import was transacted through profit-sharing consignment contract or through business partnerships. Profits from importation, the foreign trade companies' drawings from profit-sharing have an upward trend. In 1981, profits from imports lagged behind similar type export profits by only 14 percent as opposed to 44 percent in 1979.

The equalization of profits gained from export and import and the equalization of profits through profit sharing points to the fact that the price- and market-information of the producer (user) enterprises, as well as their interests, are primarily tied to exportation, while importation is forced into the background. The competitive price principle, enterprise interests regarding the development of export's economic efficiency vigorously encourage enterprises producing for export to follow the price trends of foreign markets. This is not as characteristic of import, thus foreign trade enterprises can increase their share of gain, the amount of enterprise profits from the reduction of import prices.

Next to the producer enterprises' growth of interest in export, a growth of the foreign trade enterprises' direct, so-called "own account" export can be detected: in 1981, the rubel-calculated export increased by 6 percent while the non-rubel-calculated export grew by 22 percent.

The incentives of foreign trade enterprises developed satisfactorily. Out of the 2.5 billion forints increase of enterprise funds, 1.7 billion forints were allocated to development funds. On the basis of the 1980-1981 annual average, [foreign trade] enterprises developed proportionally with producing enterprises. The dispersion of enterprise profits increased in accordance with explanations.

The Example of Interinvest

Joint development efforts represent an important aspect of the cooperation between foreign trade and producing enterprises. This is aided by Interinvest, formed in 1980, a developmental association of the foreign trade enterprises.

Foreign trade enterprises are entitled to a 5 percent break in profit taxes [the latter are higher than the general profit taxes paid by producing enterprises], if they buy shares, invest capital from their development fund in Interinvest. The developmental association aids the growth of export capacity and import substitution through the placement and investment of [the subscribed] development capital. The experiences are favorable concerning the activities of this association: the temporary placement of development funds is being replaced more and more by participation in the development efforts of producing enterprises and by joint capital ventures with the same. Primarily producing enterprises in agriculture and food processing and those connected with prime export contractors display a need for cooperation with Interinvest, while enterprises in certain technical fields such as the engineering industry, show only a moderate interest in the association.

The formation of a well-balanced cooperation between foreign trade and producing enterprises taking the interests of each other into consideration is not only a financial matter. Several foreign trade enterprises are intensely involved in the examination and modernization of the marketing system-- commissioned and permanent enterprise representatives, agents, mixed enterprises. These measures bear importance from the standpoint of cost reduction as well as that of improving the efficiency of foreign trade.

12191

COS: 2500/297

COMPLEX PROBLEMS OF ECONOMY REVIEWED

Warsaw ZYCIE GOSPODARCZE in Polish No 27, 25 Jul 82 p 8

[Article by Ch.M.: "Complex Trends"]

[Text] Economic trends in June of this year [1982] did not differ very much from those occurring in May of this year. The level of industrial production was similar except that again the occurrence of a somewhat greater drop in production took place by comparison with the same period last year. The sold production [produkcja sprzedana] of socialized industry was 4 percent lower in June of this year than that of a year ago; in May of this year, it was 6.3 percent lower; in March 6.4 percent lower; in February of this year--10.7 percent lower and in January of this year, it was 13.8 percent lower than 1 year ago. After a period of a particularly serious drop in this production in January and February, it was possible to observe a certain waning of some negative trends in the period from March to May of this year.

Increased participation of the extraction industry in this production as well as a drop in the production of the processing industry were among the more important features of the structure of socialized industry in the past half-year. If by comparison with the first half of last year, the sold production of the socialized industry was 7.8 percent lower, then this was the result of an 8.9 percent decline in the production of the processing industry and a 9.5 increase in the production of the extraction industry.

Also, a 4.0 percent decrease in the socialized industry's production in June of this year as compared to June of last year resulted from, above all, a 4.8 percent drop in the production of the processing industry and an 8.3 percent increase in the extraction industry's production. Analogous indexes in May of this year amounted to 2.7 percent, 4.8 percent and 14.3 percent.

A drop in production in June and in the first half of 1982 occurred in most of the subsectors of the processing industry: in the iron and steel subsector, production fell 12.1 percent in June of this year and 14.2 percent in the first half of the year; in the metallurgical subsector, production fell 8.1 percent in the first instance and 13.6 in the second; in the transportation means subsector, it fell 5.1 percent and 10.8 percent; in electrotechnology and electronics--2.2 percent and 10.0 percent; in the chemical subsector--4.0 percent and 11.6 percent; in the wood subsector--3.0 percent and 9.6 percent;

in the sector of building materials--8.5 percent and 9.0 percent; in the textile subsector--16.1 percent and 15.2 percent; leather--6.0 percent and 6.9 percent; in the food subsector--4.0 percent and 3.8 percent and in the fodder and waste recovery subsector of the processing industry, production fell 49.8 percent and 40.3 percent.

The determining growth factor in the extraction industry was the mining of hard coal which in June as well as in the first half of this year was 15 percent higher in comparison with an analogous period last year. Besides the coal industry, a rather substantial production increase was attained in the power industry (in June--an increase of 1.5 percent and for the first half of the year year--an increase of 3.9 percent); in whiteware (an increase of 2.9 percent in June of this year and 2.7 percent increase for the first half of the year); in the garment industry (an increase of 4.3 percent and a 1.1 percent increase respectively) as well as in small industry (a 3.2 percent increase and an increase of 1.1 percent).

In June of this year as compared to May of this year, the sold production of socialized industry was 0.4 percent lower during the actual period and 0.2 percent higher during the comparable period.

It is also worth noting that the 0.4 percent decrease in industrial production in June of this year as compared to May also resulted from, among other things, the decrease of approximately 3 percent in the extraction industry's production.

Problems similar to those occurring in industry also took place in the remaining sectors of materials production with the exception of agriculture.

In building-assembly enterprises, the decline of basic production in the first half of this year as compared to the first half of last year amounted to 16.9 percent including an 11 percent drop in June of this year as compared to June of last year.

This was the result of, among other things, the further limiting of investments. It is estimated that during the period January-May, investment outlays generally decreased by 29.7 percent in comparison with the same period last year including a 23.3 percent decrease of outlays in building-assembly work. During this time, investment building tasks were turned over for use with a total cost-estimate value of 32.3 billion zlotys which constituted 52.6 percent of the tasks projected for completion during this period. At the same time, the implementation of new tasks with a cost-estimate value of 35.5 billion zlotys was begun.

Housing construction also declined. In June of this year, 14.2 thousand housing units were turned over for occupancy in the sector of socialized housing, i.e., 19.8 percent less by comparison with June of last year. In the first half of this year, 48.1 thousand housing units (164.6 thousand rooms) with a usable floor space of 2.5 million square meters were turned over for use. As compared to the first half of last year, 23.0 thousand (32.4 percent) less housing units were turned over for occupancy; 81.1 thousand (33 percent) less rooms and 1.2 million square meters (32.4 percent) less of usable floor space.

Employment in the four basic sectors of the socialized economy (industry, construction, transportation, communication and commerce) amounted to 7.7 million persons in June of this year and in comparison with June of last year, it was lower by 0.41 million persons, i.e., by 5.1 percent. In socialized industry, employment decreased by 0.27 million persons, i.e., by 5.8 percent; in the building-construction sector, employment fell by 0.09 million persons, i.e., by 7.4 percent; in transportation, there were 0.04 million or 2.4 percent less persons employed and in commerce, employment fell by 0.02 million persons or 2.4 percent. It is estimated that in the entire socialized economy, average employment in the first half of the current year amounted to 11.6 persons and this was lower than a year ago by 0.44 million persons, i.e., by 3.6 percent.

Work establishments are at the same time reporting a large number of vacant positions in need of being filled which indirectly points to substantial irregularities in economic mechanisms. In June of this year, a further significant increase was noted on the job market in the number of openings for new workers. There were 0.28 million job openings at the end of June (in June of last year, there were 0.17 million job openings while in May of this year, there were 0.25 million openings). On the other hand, the number of people seeking jobs through employment agencies amounted to 20,000 persons at the end of June of this year.

Weather conditions were less favorable for agriculture in June than in May of this year. There is still not enough adequate basis for the making of this year's harvest forecasts.

The procurement of butcher livestock in post-slaughter [poubojowej] weight as converted to meat amounted to 165.1 thousand tons and was 1.3 percent higher in comparison with May of this year and 4.4 percent higher than in June of last year. During the entire first half-year period, this procurement amounted to slightly more than 1 million tons with 0.3 million tons of this amount from state-controlled agriculture and 0.7 million tons from non-socialized agriculture.

By comparison with the first half of last year, the procurement of slaughter livestock from agriculture as a whole and as converted to meat was 7.8 percent lower including approximately 30 percent lower from state-controlled agriculture while it was approximately 5.8 percent higher from non-socialized agriculture. The decline in the procurement of butcher livestock from agriculture as a whole in the first half of this year is mainly the result of a serious drop in the procurement of slaughter poultry which in the first half of this year came to 103.1 thousand tons as compared to 253.7 thousand tons in the first half of last year, thus, indicating a decrease of about 60 percent.

The procurement of milk in June of this year amounted to 1.1 billion liters and was 27.3 percent higher as compared to May of this year and 1.4 percent higher than in June of last year. The procurement of milk during the first half of the year [1982] amounted to 4.2 billion liters and as compared to the first half of last year, it was 0.8 percent higher. The procurement of eggs in June of this year amounted to 251.2 million units and was 29.4 percent

lower in comparison with May of this year and 23.3 percent lower than in June of last year. The procurement of eggs in the first half of this year amounted to 1.95 billion units and was 7.7 percent lower by comparison with the first half of last year.

The total procurement of grain from the 1981 harvest from the beginning of the campaign until the end of June of this year came to more than 2.3 million tons and was approximately 14 percent lower than the procurement carried out from the 1980 harvest. The sale of concentrated fodder amounted to 2.7 million tons and was 32.1 percent lower by comparison with the same time last year. The sale of chemical fertilizers (pure in composition) [w czystym składniku] without the PGRs [state farms] from July 1981 to June 1982 amounted to 2.37 million tons and was 0.6 million tons (23 percent) lower in comparison with the same period of the previous year. There was no improvement in the supply of replacement parts for agriculture.

The situation with animal husbandry is cause for concern. Signals which indicate trends of decreasing herds have been mounting from March of this year. Also in June of this year, the following were noted in the group of factors which determine growth of farm animal raising:

- the further growth of free-market prices for grain and potatoes,
- a progressive drop of free-market prices for farm animals by comparison with prices in May of this year,
- a pronounced worsening of the falling trend in the breeding of gilts at breeding points,
- an increasing supply of gilts at procurement points.

A certain decline in animal breeding was, of course, already expected for a long time in view of the drop in grain imports and that of milling products. During the first half of this year, this import amounted to 2.36 million tons and was 2.20 million tons or 48 percent lower by comparison with the import effected in the first half of last year; the import of concentrated fodder also decreased by 235 thousand tons. The results obtained from farm animal count taken in June of this year will enable a closer evaluation of the situation regarding animal breeding. After summing up the results of this count, we will make an effort to return to these problems again shortly.

We will also not describe here more extensively the occurring changes in the money-market situation. We wrote about this situation recently in the article entitled, "Market for Nudists" (ZYCIE GOSPODARCZE, No 25, 1982) and the results from June confirmed rather clearly that among factors which mold this situation, therefore, prices and living costs, the public's financial income and the physical dimensions of sales--this last factor has the most limiting effect.

In June of this year, the public's financial expenses reached a level of 202.4 billion zlotys and increased 73.8 percent in comparison with June of last year. For the first half-year, analogous data amounted to 1,096.8 billion zlotys and 66.6 percent.

The main factor which limited expenses were physically reduced sales dimensions. After an estimate elimination of the effect of increased prices, retail sales in June of this year were approximately 26 percent lower than in June of last year.

In comparison with the state of things at the end of June of last year, the value of supplies of nonfood goods following an estimate elimination of the effects of price changes was 50 percent lower than a year ago.

In the first half of this year, the smallest increase of funds occurred in May at a level of 6.5 billion zlotys of which 2 billion zlotys were made up of cash funds. In June of this year, the increase in the populations' funds amounted to 21.2 billion zlotys of which 12.4 billion zlotys was in cash funds. As a result, the total amount of the population's funds at the end of the first half of this year came to 1,248 billion zlotys including 474 billion zlotys in cash funds.

The export of goods according to current prices to countries of the first payments area [socialist countries] increased 11.5 percent during the first half of the year as compared to the same period last year while imports from these countries increased 0.8 percent with a drop (23.5 percent) in the import of products from the electromachinery industry. The import of fuel and energy from countries of the first payments area according to current prices rose 21.5 percent.

Export to countries of the second payments are [capitalist countries] according to current prices fell 7.5 percent while import from these countries fell 40.1 percent.

The results obtained in June reveal that the process of breaking falling trends in production is very complex because next to the elimination or lessening of negative factors, there appear new threats and difficulties. This reconfirms the necessity for carrying out very active and flexible economic policies and particularly the efficient use of economic and financial tools contained in the economic reform which is being introduced.

9853

CSO: 2600/816

KIRO GLIGOROV DISCUSSES ECONOMIC POLICY

Zagreb DANAS in Serbo-Croatian 22 Jun 82 pp 9-13

[Interview of Kiro Gligorov, member of the LCY Central Committee and of the Council of the Federation, by DANAS correspondent Jelena Lovric: "Kiro Gligorov Talks of Crisis Features, Economic Principles and Yugoslavia's Chances to Overcome Its Problems"; date and place not given]

[Text] It seems that Kiro Gligorov has always been in the places where something important is happening. At the joint session of all economic committees of the Federal Assembly in 1965, the then Federal Finance Secretary Gligorov explained the program of changes that were about to occur in the economy, which later became known as the Yugoslav economic reform. Toward the end of 1976 Gligorov, then president of Yugoslav Assembly, presented the introductory address at the time of the adoption of the Law on Associated Labor. In the past 18 months in the commission for stabilization of the federal councils, known to the public as of "Kraigher commission," Kiro Gligorov, now as a member of the LCY Central Committee and a member of the Council of the Federation, has been directing one of the three groups whose work recently resulted in the publication of "Points of Departure for a Long-Term Economic Stabilization Program." Judging from all we know about them, these proposals do not fall among those stabilization programs, two or three of which we have seen in the past 10 years, whose goal is "only to patch things up a bit, to put the water that has leaked out back into the trough." These days the commission is sending the public, one after another, an anti-inflation program and a document concerned with Yugoslav relations with foreign countries, employment and the housing and communal economy, so that by the time of the LCY Congress and right after it at least some "neuralgic points" will have been treated. This great task of making projections for our future has brought together in the commission a wide circle of collaborators. For example, the sociologists had not gotten together for fully 10 years, but now it is already apparent that his spark ignited inspiration in their work.

The first question is reserved for seeking the roots of our current woes: When and how did we go wrong? Gligorov is among those sociopolitical workers who see the causes of the present economic difficulties not only in the economy. Recently, he has spoken several times about causes in the ideology, which for the League of Communists are no less important than those that

should be sought in operating mechanisms and economic policy.

[Gligorov] The causes for our present situation, which has the features of a crisis, must be sought broader and deeper in the existing practice of the systems, both the sociopolitical and the economic systems, and also in economic policy that in the past period has in good measure been based on willfulness. By itself that does not say anything at time, but in its essence that economic willfulness is tied to a type of bureaucratic idealism which believes that it is in a situation where all social factors, or at least the most significant riches of this land, are in public hands. In such a situation all things are possible, and those that really are not possible can function outside of actual circumstances. It is possible without economic consequences to plan and establish goals that have no direct connections with either the existing situation or with material realities.

In such circumstances, on the one side, the system and its prospects are idealized, and spoken of in superlatives, while, on the other side, everything that is happening around us is underestimated. We are neither an island nor an oasis, and that affects the manifestations that we most frequently cite as the causes of our present difficulties, such as autarchy. It is as if all that happens outside, beyond our borders, can storm down upon us, but we do not have to consider it, for we are a self-management socialist society of a special quality. Precisely because of such delusions, the advantages of a socialist society are not utilized, those internal strengths and dynamics about which there is no doubt are not used.

[Question] How do you explain that lack of interest for the real trends of life?

[Answer] It is one of the features of those statist-technocratic mentalities that do not expect much from an analysis of life, from study of the true causes of certain manifestations. Such people usually think that in isolation, using their own minds alone, their own vision of the world and its problems, they can build edifices that by their goals can be very noble, there is no contradiction between these notions, but their results are another matter. Even the road to hell is paved with good intentions. If we do not know what is happening in the basic trends of economy and society, decisions and resolutions can easily be made on a idealized conception of society, and, if so, then it is little wonder that they are in error.

[Question] Has a consciousness of the true present state of affairs finally reached those who have the most influence on decisions in this society?

[Answer] We have long coddled ourselves with the conviction that the dynamic development of the economy and the rather forced and partially unrealistic increase in the living standard and the quality of life result from our actual efforts and capabilities, our productivity. This was not correct. Our development has been dynamic, but we have paid dearly for that. It came at the very high price of enormous indebtedness, which only now has become generally known, and at the price of reducing the quality of economic operations, very poor utilization of public capital and wealth. I am not thinking here only of factories and machinery, but of everything that constitutes public wealth.

The blow of the oil crisis could have been more for us than just a serious signal for caution; it should have sobered us up completely. However, in that self-satisfaction with our progress, we did not monitor international economic events in the right way, we did not draw the proper conclusions soon enough, so that we lost valuable time. If I may digress for a moment, it is interesting that we were the ones who, when the oil crisis struck, undertook action among the nonaligned to warn that the situation would affect more than just petroleum, it would have very serious consequences. We advocated reliance on our own strengths, general social mobilization and cooperation among the nonaligned countries. Yet in our own economy, at home, we did not think that way. On the contrary, it was typical that at just that time we were conducting public debate with pronounced criticism of those who underestimated our results, who spoke of economic difficulties and predicated a deep crisis, while supposedly we were enjoying great developmental dynamics even though there was a crisis in the West and development was slowing in the East. Every year we employed more than 200,000 new workers. After that position evolved somewhat to the oversimplified political conclusion that (once again) the political situation was very good, but that things were not the best in the economy. We saw what happened in Kosovo, and later concluded that we have serious problems in the political sphere as well. Naturally, it is extremely subjective, not to say unmateriastic, to consider that the political situation is excellent when the economic one is bad. That can happen for a short time, or in exceptional situations such as, for example, wartime or certain extraordinary circumstances, but that has its limits, both in time and in other ways. Since we were late in perceiving, and even later in admitting, the situation we were in, now it is harder for us than objectively it should have been. The solution now requires more time, effort and other sacrifices than should have been necessary.

At the beginning you asked about the ideological causes of our problems. I think that we should in fact begin with them. Although that already sounds like mere phrases, because it is being repeated everywhere, still it is basic that we have established economic principles that every society should respect, for they provide a framework in which one can see what is really happening in and what can be done in a society. That is not a mathematical formula and it does not answer all the questions, but it does provide a point of departure from where, evaluating all of society's other prospects, both intellectual and material, one can build true projections of development and conduct practical politics. In recent years we have forgotten what we wrote down in the Party Program: economic principles are not a hindrance to the development of self-management, but are essential conditions and unavoidable prerequisites for its successful development.

[Question] Why did we later forget what we already knew then?

[Answer] I think that is connected with the fact that economic principles hinder and restrict those who wish to control the income and labor productivity of others in grand dimensions. Economic principles have a fundamental impact on the course of a democratic society, for they do not permit usurpation of income and added value, nor permit manipulation or transfer of resources. Only if certain economic principles, including market laws, are negated, can

power be usurped and the regulation of all sorts of relationships, beginning with economic ones, begin. Later other relationships are also regulated. In this there is a parallelism between economic willfulness and simultaneous strengthening of technical bureaucratic and technical managerial trends in society. I can freely say that that is an ideological trend which has significant consequences. Without that it is hard to understand how, without sufficient economic analysis, we were able to enter into major projects that failed (and we have them in all republics), and why those decisions were then woven into the fabric of national programs.

Even though we have taken very significant steps toward revaluation in the last year or so, regarding certain suppositions of the LCY, which three decades ago opened the way to self-management and later brought construction of the total concept of self-management socialist development, we are still faced with a serious ideological struggle if we are to succeed in our stabilization program. We should not delude ourselves: in the past decade (and the roots go back even farther), there has been a broad indoctrination of personnel who replaced economic criteria with some other criteria that have no direct connection with the economy, but which are related to power and decisionmaking. Until that ideological struggle is won, it is difficult to expect that any sort of stabilization program will be implemented.

[Question] Are there some problems among the workers as well?

[Answer] Of course.

[Question] Such as apathy and indifference?

[Answer] People behave according to the conditions in which they find themselves. That also holds for the criticism that is often expressed about basic organizations of associated labor that operate poorly and do not increase their productivity. They are constantly studying what should be done. That is not an education process, it is a question of the production value, and it has its own principles. Under other circumstances, these basic economic subjects would be attacked severely for their productivity with no retreat. From extremely simple meaning, as a working class it does not perceive what we are all fighting for. It is deafened by our just demands for better work, and the accusations that the producers and workers are to blame for the present weighty situation are not far behind. That is also one of the ideological burdens. And from our economic history in the past 30 years or so it is clearly apparent that the advance and growth of production, just as stagnation and production declines, depend on a combination of overall social and economic measures and circumstances in a given time period.

[Question] It is said that there is little that is new in the Starting Bases of the Stabilization Program, that they are a reaffirmation of some of our basic determinations.

[Answer] That is basically true...

[Question] Yes, basically. You recently said that that document confirms some old determinations that in several situations had been placed in doubt, or that

they constitute a trend "toward the well-known goal, after several years of stagnation." Thus we have had those basic positions previously, but they were not implemented. Under the current distribution of strengths, how now can we assure an essentially different way of behaving, for it is certain that the bureaucratic-technocratic structures, those that have come to control power, will not just let that power go?

[Answer] The Starting Bases say in that regard that people must be in a situation where they can behave differently, they must be forced to do so economically. That coercion does not have the character of political coercion and force, for it is created out of economic necessity. In it, conditions for economic operations are established that objectively demand proper performance from everyone, whether or not it pleases someone or not, whether or not someone wants to do something or not. That is the economic coercion that we had already forgotten. That cannot be attained by appeal or by some general consensus of everyone and all, by negotiations and agreement processes that otherwise are among the irreplaceable institutions of our system. Yet as soon as in actual practice we reached the point where negotiations and agreements exceeded economic necessity, they became worthless paper. The degree to which we are conscious of the fact that negotiations and agreements can be accomplished only on the bases of economic realities, will be the degree to which we have greater freedom and democracy in making decisions. Otherwise we will have some sort of generalized possibility and an absolute freedom to make agreements about anything and everything, but those agreements will not work.

[Question] The Long-Term Program for Economic Stabilization that you are working on will have great economic and social consequences. What will these two types of consequences be like?

[Answer] When so many various circumstances that could be called irregular have accumulated, then the escape from such a situation cannot be either easy, or simple, or relatively quick. Everything cannot stay in its place, including economic, social and political factors. Nothing can happen without someone getting hurt. We must all change our behavior, but we must also be concerned that the therapy that we select is bearable. Thus we should initiate interests and motivations so that in the stabilization program, everyone can see his own best interests, and that of his family, his organization, his future prospects. Then in the name of those values he can be asked to make certain sacrifices and changes. Thus it is good that this contrasts to certain attempts that were made after 1965 when we wanted to solve complex questions that require economic, social, political and other considerations, by using various packages of incomplete measures. Now the stabilization program is being created in a continuity: as understanding matures, we test and confirm the basic concept of the Starting Bases. Everything that is already known to the public cannot be perceived only as material for debate. Even though such overall undertakings require at least 6 months for organizational and other preparations, now we are not in a position to devote that much time to it. Thus this period, while we are building the concept, should be used for ideological purification, but also for practical enterprise. We should not await the time when measures

approved by the Yugoslav Assembly and the Federal Executive Council will start functioning, and only then begin recalculation and restructuring. Independent of the fact that we still do not have a complete stabilization program, I think the changes can begin to take place, and I think it is clear today to every person that the present situation must be changed. Perhaps the greatest contribution to that maturing of consciousness about our situation came from our foreign debt, for it was seen that there are some firm, objective factors that cannot be affected by willful measures. When one's back is against the wall, he looks differently at everything that happened previously.

[Question] In the employment program it is asserted that, next to foreign debt, our greatest problem is unemployment.

[Answer] Seen objectively, that is perhaps a heavier problem than liquidity difficulties.

In a few years of effective measures, we can bring our debts into reasonable limits, but dealing with unemployment will take much longer. The weight of this problem grows, however, when we know that it is not only economic, since most of the unemployed are young people. That affects the mood of the generation that is being prepared to assume responsibility in this country. I think that we have clearly pointed to the difficulties, but not to the realistic prospects: We must do our maximum, but solutions take time, and unemployment will be with us right to the end of the century, although naturally with lessening intensity. Perhaps with certain favorable circumstances, the situation can be changed fundamentally in a decade.

The unemployed, however, currently form only a part of the problem. We have a rather significant technological surplus of workers, whose size is variously assessed but which is certainly not below 10 to 15 percent.

[Question] There is an estimate that every third worker is surplus.

[Answer] It is hard to find a job, and by that very fact a job becomes a privilege. This is not only the basis of existence, but here in Yugoslavia all resources are socially owned, and those who are unemployed are objectively excluded from managing those resources. Thus in a self-management socialist society, a certain number of people are separated from the possibility of self-management, and for them that is a social injustice and the source of social differences. Yet the unemployment problem is so essential for the whole of the stabilization program and its successful implementation.

[Question] A respected sociologist says that unemployment compromises the self-management socialist society.

[Answer] There is some truth in that, but full employment, as we know from the example of some other countries, when it is based on extensive economic operations, has its price. That does not mean that we would not have that problem in a much milder form if we had developed differently and if we had a different attitude toward so-called small business, which we have restricted

and which we have feared, as if socialism would be destroyed if there were more tradesmen and services. I think that just the opposite would occur: If there were many more of them, among them there would be such competition and a struggle for income and survival that the state would have to give special help to such small organizations, because they are essential for satisfying certain human needs, which no large industrial undertakings can provide.

[Question] There is a prevailing opinion that we dropped the 1965 economic reform because of the high number of unemployed and the great social differentiation that was occurring. Now, as we enter this reform called a stabilization program, both those negative factors are already present at the start. There is a very acute form of unemployment, and probably our social differences have never been greater.

[Answer] I think that we still have not made a proper in-depth, scientifically based analysis about the reasons for dropping that economic reform....

[Question] You should know more about that than others.

[Answer] I have a definite opinion about that, but naturally, as a participant in that action I can be subjective. We did not give up the economic reform because it increased the number of unemployed. The departure for abroad began before that, and people did not go at first because they did not have jobs, but primarily because they could solve the problems of daily existence incomparably quicker abroad. Naturally, later they went abroad because the dynamics of economic development had slowed, but even then there was no doubt in the working class, it knew very well that we had no other course.

[Question] Does that mean that someone else dropped the economic reform?

[Answer] Truly, the problem emerged because of somewhat increased social differences. No matter how necessary they were (naturally I am not thinking about excesses), they were a part of a program that was striving to see that those who achieved better results received better rewards. Yet they still provoked certain sensitivities: we had just emerged from a period of great leveling, and at that time a wave of that type was engulfing all of Europe, particularly the young people. Another point is that at that time we were still a society which had not endured a single major jolt (if we exclude 1948, which really brought us together). The removal of that halo of absolute stability of the socialist society, accompanied by the intensification of contradictions and social shocks, was not easy to accept for many people. Later it turned out that the student events of those days were a tempest in a teapot. Uncertainties ensued, followed by demands for retreats, and then the reform was gradually forgotten. All of that proves that we still did not have complete conviction that that was our solution. That was a shame, for at that time we had already begun to emerge from economic difficulties: production, income, and agriculture were stabilized, and inflation was markedly reduced, so that by current measures it was negligible. New jobs were beginning to appear.

[Question] How can we be sure that we do not repeat that mistake? How can we assure ourselves that we will not leave a job incomplete as soon as things turn somewhat the better for us?

[Answer] In a certain way, things are worse for us now than then: there are international circumstances, a world crisis, our indebtedness because of which we cannot count on additional foreign resources as we could once--all of that does not help. Yet we also have some advantages: today the economy is incomparably stronger and more powerful than in 1965, and the training of the labor force is much better. The essential prerequisites have been put into a system that enables us to deal with resolving economic and social problems. This time has its risks, but basically the leading forces of society are fully involved in implementing the stabilization program. The path is not strewn with flowers, we will encounter many uncertainties, many of which cannot be foreseen today, but for that reason we should constantly monitor everything that is happening, become involved more quickly and not surrender our determined objectives at the first difficulties. The 12th LCY Congress can do much to create the kind of atmosphere that is urgently needed, but that great task will be ours for the next 4 years. Therefore, I think since they are of no use to us, we should avoid all sorts of deviations and inventions of problems, such as historical ones, that currently are preoccupying people.

[Question] Aren't such distractions perhaps made on purpose?

[Answer] I don't know if that is the case, or to what degree that tactic is found, but various recollections distract attention from the society's actual problems. By this, I am not at all underestimating the meaning of history, but these times today call for different approaches and other main themes, and we will leave it to scholarship to clear up things. As soon as those questions, which are not at the heart of matters, are put in the first place and politicized, it means that something is happening in society which is the fruit of either an insufficient ideological orientation or, I don't know what all can be found there, but I know it isn't good.

Another thing is that we cannot be concerned for too long with just our current economic difficulties; rather, we must resolve them in a relatively short time, let's say in 3 years, give or take a year, that isn't crucial. It is important that things begin to change. Our perceptions of the future dare not stop at the stabilization policy, for we do not want it to happen that, while for those few years we are occupied with solving the accumulated problems, we should drop even farther behind the world, for in today's world, particularly in the realm of technology, changes are occurring that are hard to comprehend, and which will have consequences that are as yet unseen.

12131

CSO: 2800/427

GOODS TURNOVER IN MARITIME PORTS, 1972-1982

Belgrade TRANSPORT in Serbo-Croatian No 5, May 82 pp 19-20

[Article by Atanasije Spasic: "Cargo Traffic in Yugoslav Seaports in 1981"]

[Text] 1. Total Cargo Traffic

Total cargo traffic in 1981 in all of Yugoslavia's seaports amounted to 33.9 million tons, which is at the level achieved in the previous year, when a high jump in traffic of 9 percent was accomplished. This stagnation of port traffic in 1981 is a normal consequence of the restrictive measures on imports (decline in imports of petroleum through seaports) and also of the dropping off of exports.

The trend of total port traffic has been as follows over the last 10 years:

1972	19.5 million tons	1977	26.1 million tons
1973	20.9 million tons	1978	27.1 million tons
1974	23.8 million tons	1979	30.1 million tons
1975	22.4 million tons	1980	33.8 million tons
1976	25.1 million tons	1981	33.9 million tons

One notes in the series presented that the growth rate of annual traffic was relatively slow up until 1978, when that rate speeded up, and especially in 1980, after the oil pipeline at Omisalj was put on stream. However, in 1981 a symptom of renewed stagnation of total seaport traffic is already appearing.

2. Distribution of Total Port Traffic Among the Principal Types of Cargo

In all of Yugoslavia's ports the following distribution of cargo among the principal types was achieved in 1980 and 1981 (in thousands of tons):

Type	1980	1981
Total traffic	33,943	33,899
Coasting	5,541	5,364
Export	3,500	3,383
Import	18,885	19,264
Transit	6,017	5,888

When expressed in percentages of total port traffic, this distribution has remained unchanged from the previous year, as can be seen from the table below (in percentages):

<u>Type</u>	<u>1980</u>	<u>1981</u>
Total traffic	100	100
Coasting	16	16
Export	10	10
Import	56	56
Transit	18	18

The figures show that the imports of goods through our seaports continue to dominate other types of cargo traffic and confirm once again that Yugoslav seaports are primarily import ports.

3. Total Cargo Traffic in the Main Ports

According to the methodology of the Federal Bureau of Statistics used as the basis for working up the figures used in this section of the analysis, the following are still regarded as the main Yugoslav seaports: Koper, Rijeka, Sibenik, Split, Kardeljevo, Dubrovnik and Bar. The port of Zadar, which for 3 years now has exceeded the port of Dubrovnik in its volume of traffic, has still not been included in the group of main seaports, so that unfortunately once again this year we cannot include it in this survey.

Actual cargo traffic in the main seaports was as follows in 1980 and 1981 (in thousands of tons):

<u>Main Ports</u>	<u>Cargo Traffic</u>		<u>Index 1981/1980</u>
	<u>1980</u>	<u>1981</u>	
Koper	2,536	2,350	93
Rijeka	15,197	14,934	98
Sibenik	965	951	99
Split	2,269	2,530	112
Kardeljevo	3,514	3,330	95
Dubrovnik	329	225	68
Bar	1,514	1,616	107

As is evident from the figures, for most of the main ports, Dubrovnik especially, there was a drop of traffic in 1981 as compared to the previous year. Only Split and Bar achieved a growth of traffic, but this was a relatively large growth.

Over the last 10 years total cargo traffic in Yugoslavia's main seaports has been as follows (in thousands of tons):

<u>Year</u>	<u>Koper</u>	<u>Rijeka</u>	<u>Sibenik</u>	<u>Split</u>	<u>Kardeljevo</u>	<u>Dubrovnik</u>	<u>Bar</u>
1972	1,944	9,941	700	1,632	2,025	332	837
1973	1,861	10,483	935	2,040	2,452	246	902
1974	1,981	12,663	931	2,516	2,476	314	921
1975	1,867	12,029	899	2,181	2,210	216	950
1976	2,102	13,997	815	2,335	2,926	250	1,068
1977	1,903	14,135	824	2,464	2,971	276	1,145
1978	2,115	14,733	845	2,624	3,247	244	1,280
1979	2,367	16,419	791	3,087	3,760	382	1,634
1980	2,536	15,197	965	2,269	3,514	329	1,514
1981	2,350	14,934	951	2,530	3,330	225	1,616

It would be superfluous to comment on this 10-year comparative survey, since it would only repeat the evaluations and observations contained in the annual analyses worked out by the Grouping of Seaports for 1979 and 1980.

4. Container Traffic in Yugoslav Seaports

Container traffic in Yugoslav seaports, which began to develop with a rather long lag behind the advanced European and world seaports because of the technical backwardness of our ports, has been developing at a very rapid pace in recent years. Four of our seaports already have technological conditions for receiving and shipping containers: Koper, Rijeka, Bar and Kardeljevo.

The most advanced port for container traffic is Koper, though the ports of Rijeka and Bar already have their own modern container terminals.

The volume of cargo traffic in containers in our seaports has been as follows over the last 4 years:

<u>Year</u>	<u>Indicator</u>	<u>Group- ing as a Whole</u>	<u>Koper</u>	<u>Rijeka</u>	<u>Kar- deljevo</u>	<u>Bar</u>
1978	Number of containers converted to 20-foot containers	30,832	19,574	10,895	79	194
	Volume of cargo in tons	226,834	142,119	81,905	410	2,400
1979	Number of containers converted to 20-foot containers	45,453	31,023	13,975	143	313
	Volume of cargo in tons	364,343	239,948	119,995	2,100	2,300
1980	Number of containers converted to 20-foot containers	55,921	37,831	17,177	350	563
	Volume of cargo in tons	491,286	320,990	164,305	2,391	3,600
1981	Number of containers converted to 20-foot containers	74,605	49,023	19,738	1,020	4,824
	Volume of cargo in tons	588,810	403,223	156,670	5,717	23,200

It can be seen from the comparative survey above that container traffic in Yugoslav seaports has increased 2.5-fold over the last 4 years and that in 1981 nearly 600,000 tons of general cargo carried through our seaports was containerized. Moreover, it is evident from the survey that more than half of the container traffic passes through the port of Koper.

The share of the various ports in total container traffic (based on the number of containers) has been as follows over the last 2 years (in percentages):

<u>Ports</u>	<u>1980</u>	<u>1981</u>
Total container traffic	100	100
Breakdown by ports:		
Koper	67	65
Rijeka	30	26
Kardeljevo	1	3
Bar	2	6

It is very encouraging that the transit of containers has the highest share in total container traffic through all Yugoslavia's seaports. This is evident from the survey given below. The share of various types of traffic in total seaport container traffic has been as follows, in percentage, based on the number of containers:

<u>Type</u>	<u>1980</u>	<u>1981</u>
Total seaport container traffic	100	100
Exports	39	37
Imports	19	16
Transit	42	47

Container traffic, as one of the forms of integrated transport on whose development and debugging intensive work has been done in our transportation sector in recent years, has been developing at the fastest pace. However, there is a relatively large lack of conformity from one branch to another in transportation as to the level which they have achieved in equipping themselves to receive and transport containers, and this is slowing down the rate of introduction of this technological process in integrated transportation. That is, whereas the seaports and maritime shipping are already well equipped with facilities to handle container traffic (container terminals and container carriers), rail and highway transportation are lagging considerably behind in this respect, and that especially applies to rail transportation.

7045

CSO: 2800/433

AGRICULTURAL-FOOD PRODUCTION PLANS TO 1985

Belgrade GLASNIK POLJOPRIVREDNE PROIZVODNJE, PRERADE I PLASMANA in Serbo-Croatian No 6-7, Jun-Jul 82 pp 23-27

[Article by Dr Dusan Katic, M.A.: "Drawing up Balances of the Principal Farm Products and Foodstuffs"]

[Excerpt] Table 1 (in thousands of tons)

<u>Product</u>	<u>1980</u>	<u>1985</u>	
1. Wheat	5,100	6,000	(at the least)
2. Corn	9,300	12,000	(at the least)
3. Sugar beets	5,400	8,720	
a) Sugar	680	1,100	
4. Oilseed			
a) Sunflower	303	750	
b) Soya	34	120	
c) Rapeseed	67	110	
Edible oil	230	380	
5. Polished rice	36	48	
6. Tobacco	56	75	
7. Meat	1,260	1,500	
8. Milk (billions of liters)	4.3	5.0	
9. Wool	10	12	

Relation Between Supply of and Demand for Farm Products

In agriculture's development to date a pronounced disproportion has been created between the demand on the domestic market (feeding the population and the industry for processing agricultural products) and exports on the one hand and the production capability (land and other resources and techniques mastered and production technology) on the other. Inadequate investments in primary agricultural production, especially in the production of grain and industrial crops, and the forced construction of processing facilities in the food manufacturing industry, have made it necessary to import grain (wheat and corn) to meet the needs of animal husbandry, while processing capacity has been underutilized. Investment was made when accumulative and reproductive capacity were low and when indebtedness on the basis of repayment of credit was high.

That is why accomplishment of a substantial portion of investment activity in the sector of agriculture is being carried over from the period 1976-1980 to the period 1981-1985.

That kind of situation is also reflected in the pattern of use of farmland both by categories and also by ownership sectors (Table 2). In agriculture as a whole we note a high share in the category of pastures and a drop in the share of plowland and gardens. This adverse trend in the pattern of farmland use is especially manifested within the socialized sector of agriculture, where, though the share of plowland and gardens is dropping, the high share of pastures is still maintained. In the current medium-term period these adverse trends need to be halted, above all by the declining trend for the area of plowland and gardens (robberies for so-called urban development needs), but within the socialized sector, aside from expanding the area of plowland by purchasing land from private farms, new areas need to be developed more intensively through reclamation (hydraulic engineering and other forms).

Table 2. Pattern of Use of Farmland (in thousands)

<u>Use</u>	<u>1974</u>	<u>1975</u>	<u>Average 1974-75</u>	<u>Struc- ture, %</u>	
Agriculture as a whole					
Plowland and gardens	7,355	7,321	7,338	73.4	
Orchards	464	466	465	4.6	
Vineyards	247	247	247	2.5	
Meadows	1,941	1,967	1,954	19.5	
Arable land	10,007	10,001	10,004	100.0	
Pastures, fish ponds, and land covered with water and reeds	2,893	2,868	2,881	65.4	
Total farmland	4,402	4,403	4,404	100.0	
Private sector					
Plowland and gardens	6,087	6,044	6,065	71.5	
Orchards	424	427	425	5.0	
Vineyards	217	215	216	2.5	
Meadows	1,770	1,780	1,775	20.9	
Arable land	8,498	8,466	8,481	100.0	
Pastures, fish ponds, and land covered with water and reeds	1,602	1,601	1,601	15.9	
Total farmland	10,100	10,067	10,082	100.0	
	<u>1979</u>	<u>1980</u>	<u>Average 1979-80</u>	<u>Struc- ture, %</u>	<u>Plan 1985</u>
Agriculture as a whole					
Plowland and gardens	7,172	7,153	7,163	72.3	7,000
Orchards	478	484	481	4.9	510
Vineyards	246	247	247	2.5	250
Meadows	2,020	2,026	2,023	20.3	2,000
Arable land	9,917	9,910	9,914	100.0	9,760

Table 2 (continued)

<u>Use</u>	<u>1979</u>	<u>1980</u>	<u>Average 1979-80</u>	<u>Struc- ture, %</u>	<u>Plan 1985</u>
Pastures, fish ponds, and land covered with water and reeds	2,844	2,836	2,840	63.8	2,800
Total farmland	4,436	4,451	4,445	100.0	4,655
Private sector					
Plowland and gardens	5,864	5,831	5,847	70.4	5,440
Orchards	437	441	439	5.3	460
Vineyards	208	206	207	2.5	205
Meadows	1,816	1,817	1,816	21.8	1,800
Arable land	8,325	8,295	8,309	100.0	7,905
Pastures, fish ponds, and land covered with water and reeds	1,567	1,577	1,572	15.9	1,500
Total farmland	9,892	9,872	9,881	100.0	9,455

Source: Statistical publications SGJ--1980 [Statistical Yearbook of Yugoslavia for 1980] and statistical bulletins on "Field Crop Production" for 1979, as well as documentary material of the Federal Bureau for Social Planning.

The change in the pattern of planting in the 1981-1985 period has been toward an increase in the share of area planted to industrial crops and plants for livestock feed. These changes can be achieved for agriculture by reducing the area of plowland left fallow and uncultivated and also by halting the rate at which this land is taken over for nonfarm purposes (Table 3).

Table 3. Planting Pattern, Agriculture as a Whole

<u>Use</u>	<u>1974-75 Average</u>		<u>1976-80 Average</u>		<u>1985 Plan</u>	
	<u>Thou- sands of Hectares</u>	<u>Struc- ture</u>	<u>Thou- sands of Hectares</u>	<u>Struc- ture</u>	<u>Thou- sands of Hectares</u>	<u>Struc- ture</u>
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Plowland and gardens	7,338	--	7,210	--	7,000	--
Total area planted	6,737	100.0	6,540	100.0	6,630	100.0
Grain	4,778	70.9	4,483	68.5	4,500	67.8
Wheat	1,732	25.7	1,619	24.8	1,600	24.1
Corn	2,326	34.5	2,263	34.6	2,300	34.6
Other grains	720	10.7	601	9.2	600	9.0
Industrial crops	427	6.3	492	7.5	640	9.6
Sugar beets	107	1.6	126	1.9	190	2.9
Sunflowers	201	3.0	215	3.3	280	4.3
Soybeans	12	0.2	28	0.4	50	0.8
Rapeseed grown for oil	6	0.0	30	0.4	40	0.6

Table 3 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Tobacco	59	0.9	62	0.9	60	0.9
Other industrial crops						
Vegetables	655	9.7	653	10.0	670	9.8
Potatoes	318	4.7	301	4.6	380	4.6
Other vegetables	337	5.0	352	5.4	340	5.2
Fodder crops	877	13.0	912	13.9	820	12.2
Alfalfa	379	5.6	363	5.6	460	5.5
Clover	282	4.2	285	4.4	250	3.8
Other fodder crops	216	3.2	264	4.0	110	1.9
Nurseries	2.7	0.0	5.0	0.0	5.0	0.0
Uncultivated plowland	599	8.9	665	10.2	360	5.4

Source: SGJ-80, p 227, and documentation of the Federal Bureau for Social Planning concerning the future period.

The pattern of planting in the socialized sector will adapt in the coming period to the needs of satisfying the needs of the processing industry and production of the principal grains for the market--wheat and corn (Table 4). In the previous planning period the socialized sector of agriculture had a share of about 17 percent in the total area planted and furnished about 50 percent of market surpluses of farm products and foodstuffs. In the coming planning period, if the socialized sector's share of 22 percent of the area planted is achieved, it is realistic to expect that it will produce 70 percent of the surpluses for the market (Table 5).

Table 4. Planting Pattern in the Socialized Sector

<u>Use</u> <u>1</u>	<u>1974-75 Average</u>		<u>1976-80 Average</u>		<u>1985 Plan</u>	
	<u>Thou-</u> <u>sands of</u> <u>Hectares</u>	<u>Struc-</u> <u>ture</u>	<u>Thou-</u> <u>sands of</u> <u>Hectares</u>	<u>Struc-</u> <u>ture</u>	<u>Thou-</u> <u>sands of</u> <u>Hectares</u>	<u>Struc-</u> <u>ture</u>
	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Plowland and gardens	1,222	--	1,286	--	1,560	--
Total area planted	1,100	100.0	1,131	100.0	1,496	100.0
Grain	322	74.2	777	68.7	930	62.2
Wheat	467	42.0	444	39.3	480	38.8
Corn	249	22.0	242	21.4	310	22.7
Other grains	106	10.0	91	8.0	140	6.6
Industrial crops	188	16.0	261	23.1	436	29.0
Sugar beets	66	6.0	90	8.0	130	9.6
Sunflowers	92	8.0	107	9.5	180	13.3
Soybeans	9	0.8	25	2.2	45	3.3
Rapeseed grown for oil	6	0.5	27	2.3	30	2.2

Table 4 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Tobacco	1	0.1	2	0.1	3	0.0
Other industrial crops	14	0.0	10	0.0	48	0.0
Vegetables	17	1.5	18	1.6	30	2.0
Potatoes	3	0.3	2	0.2	5	0.4
Other vegetables	14	1.2	16	1.4	25	1.2
Fodder crops	84	7.6	75	6.6	100	6.7
Alfalfa	44	4.0	35	3.1	65	3.6
Clover	3	0.3	2	0.1	10	0.7
Other fodder crops	37	3.3	38	3.4	25	1.7
Nurseries	2	0.0	3	0.0	4	0.0
Uncultivated plowland	111	10.0	152	13.4	60	4.0

Source: SGJ-80, p 246; statistical bulletins entitled "Field Cropping, Fruit-growing and Grapegrowing"; and documentation of the Federal Bureau for Social Planning concerning the future period.

Table 5. Area Planted, Yields and Production in Field Cropping in 1985 (aggregates based on a 4.5-percent growth rate)

<u>Product</u> <u>1</u>	<u>1976-80 Average</u>	<u>1979-80 Average</u>		
	<u>Yields, in</u> <u>quintals</u> <u>per hectare</u> <u>2</u>	<u>Area, in</u> <u>thousands</u> <u>of hectares</u> <u>3</u>	<u>Yields, in</u> <u>quintals</u> <u>per hectare</u> <u>4</u>	<u>Output, in</u> <u>thousands</u> <u>of tons</u> <u>5</u>
Agriculture as a whole		6,540		
Wheat	32.8	1,520	31.6	4,802
Corn	40.7	2,226	43.5	9,687
Sugar beets	421.4	134	414.9	5,561
Sunflowers	20.2	219	18.9	414
Soybeans	19.2	24	21.0	50
Tobacco	10.3	54	10.8	58
Potatoes	89.7	282	90.1	2,538
Other products		1,941		
Socialized sector		1,130		
Wheat	46.0	410	45.0	1,845
Corn	61.6	247	63.2	1,560
Sugar beets	450.1	108	462.0	4,990
Sunflowers	21.3	128	24.2	310
Soybeans	20.1	20	20.4	42
Tobacco	11.5	2	11.5	2
Potatoes	164.0	3	165.2	50
Other products		203		

Table 5 (continued)

1	2	3	4	5
Private sector		5,410		
Wheat	27.8	1,110	27.1	2,957
Corn	38.3	1,979	39.0	8,127
Sugar beets	369.7	26	272.4	571
Sunflowers	19.1	91	20.9	104
Soybeans	18.0	4	18.2	8
Tobacco	10.0	52	10.7	56
Potatoes	86.4	279	89.2	2,488
Other products		1,737		
1985 Plan				
	Area, in thousands of hectares	Yields, in quintals per hectare	Output, in thousands of tons	
	6	7	8	
Agriculture as a whole	6,630			
Wheat	1,600	39.0	6,300	
Corn	2,300	51.0	12,000	
Sugar beets	190	450.0	8,720	
Sunflowers	280	26.8	750	
Soybeans	50	23.5	120	
Tobacco	60	12.0	75	
Potatoes	300	100.0	3,000	
Other products	1,850			
Socialized sector	1,496			
Wheat	480	55.0	2,500	
Corn	310	72.0	2,200	
Sugar beets	130	500.0	6,500	
Sunflowers	180	26.0	500	
Soybeans	45	25.0	110	
Tobacco	3	15.0	5	
Potatoes	5	200.0	100	
Other products	343			
Private sector	5,134			
Wheat	1,150	33.0	3,800	
Corn	2,000	48.0	9,800	
Sugar beets	60	370.0	2,220	
Sunflowers	100	25.0	250	
Soybeans	5	22.0	10	
Tobacco	57	11.5	70	
Potatoes	295	100.0	2,900	
Other products	1,457			

Source: Federal Bureau of Statistics for the past and Federal Bureau for Social Planning for the future.

Balances of Farm Products and Foodstuffs

In order to examine the development of agriculture, the food manufacturing industry and the tobacco industry over the period from 1981 to 1985 it is especially important to draw up physical balances of the principal farm products and foodstuffs. The purpose of compiling physical balances of these products is to simplify the effort of sociopolitical communities and self-managing organizations to meet within their jurisdiction the needs of the public for food and to furnish raw materials for processing, build up human and livestock food reserves and increase production for export. On the basis of mutually reconciled development plans of self-managing organizations and communities in the sectors of food production and other interested self-managing organizations and communities the balances are drawn up showing the needs and consumption and the capability for our own production, import and export, as well as the need for reserves of farm products and foodstuffs.

Pursuant to the Agreement on the Bases of the Yugoslav Social Plan Covering the Period From 1981 to 1985 concerning reconciliation and guidance of flows in social reproduction, provision has been made to draft physical balances for the following farm products and foodstuffs: wheat, rice, corn, tobacco, sugar beets and sugar, oilseed and edible oil, cattle and beef, hogs and pork, sheep and mutton, and wool. The share of these products in the physical volume of total agricultural production ranges about 76 percent, about 70 percent in field crop production and about 80 percent in animal husbandry.

Wheat

The long-standing commitment emphasized in almost all planning documents of meeting domestic needs for consumption with our own production of wheat has not been achieved, and therefore a sizable portion of commodity production is met through imports (Tables 6 and 7). In the last year of this past medium-term plan 1.6 million tons of wheat were imported, or 50 percent of total commercial consumption. At the same time a portion of production is going for livestock feed, which tends to cut back on purchases, which range between 46 and 48 percent of total output. In order to increase the area planted to wheat in the fall planting of 1980 the purchase prices were set in good time for the 1981 harvest, and in certain republics bonuses were also furnished; however, private farmers cut back on the area planted to this crop, which raises the problem of sufficient production of wheat in 1981 as well.

Table 6. Wheat* (in thousands of tons)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
I. 1. Production	4,502	4,512	5,078	5,100	6,300
2. Imports	4	417	1,600	124	--
3. Available (1+2)	4,506	4,929	6,678	5,224	6,300
II. 1. Consumption	5,303	5,948	5,890	5,570	5,800
a) Livestock feed	630	1,260	1,200	820	900
b) Seed	423	423	430	490	490
c) Industrial processing	--	--	--	--	--

Table 6 (continued)

	1975	1979	1980	1981	1985
d) Losses	150	190	160	160	200
e) Human consumption	4,100	4,070	4,100	4,100	4,210
2. Exports	3	11	10	10	500
3. Changes in inventory (+, -)	-800	-1,030	+778	-346	--

* In view of the strategic importance of wheat production and the large difference between the balance of total production, production for the market and consumption, the commercial balance of wheat is also given.

Table 7. Wheat--Commercial Balance (in thousands of tons)

	1979	1980	1981	1985
I. 1. Production--purchases	1,682*	2,400**	3,200	3,900
2. Imports	417	1,600	124	--
3. Available (1+2)	2,099	4,000	3,324	3,900
II. 1. Consumption	3,250	3,200	3,300	3,400
a) Livestock feed	--	--	--	--
b) Seed	--	--	--	--
c) Industrial processing	--	--	--	--
d) Losses	--	--	--	--
e) Human consumption	3,250	3,200	3,300	3,400
2. Exports	7	10	10	500
3. Changes in inventory (+, -)	1,158	+790	+14	--

* Figures of the Federal Bureau of Statistics.

** Figures of the Federal Directorate for Reserves of Foodstuffs gathered from grain milling organizations, which as a rule are higher than the data gathered by the official statistical service.

In the period from 1981 to 1985 it is envisaged that wheat production will reach about 6.3 million tons and purchases more than 3.5 million tons, which should make it possible to halt the importation of wheat and to build up appropriate inventories of this product. Performance of this task, along with other measures, will depend greatly on success in expanding the area of plowland in the socialized sector of agriculture and in forming associations, that is, in the socialized organization of production on private farms.

Corn

In spite of the significant results achieved in the production of corn, this production has not been stabilized, which, along with the shortage of social corn reserves, is bringing about a discrepancy between supply and demand and in large measure is causing cyclical developments in livestock production (Table 8). Corn has a dominant place in the country's livestock feed balance, but its consumption is inefficient, since other sources of livestock feed have to a large extent been neglected. Under those conditions it was not possible

to achieve the planned exports of corn. As a matter of fact, because of the lower harvest in 1978, corn was imported in 1979 in the amount of 1,094,000 tons. After the record harvest in 1979, there was another drop of production in 1980, which was mostly the consequence of bad weather conditions from the planting to the harvest of the corn crop.

Table 8. Corn (in thousands of tons)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
I. 1. Production	9,389	10,084	9,300	9,700	12,000
2. Imports	37	1,094	--	--	--
3. Available (1+2)	9,426	11,178	9,300	9,700	12,000
II. 1. Consumption	7,923	9,469	9,593	9,748	10,955
a) Livestock feed	7,070	7,700	7,800	8,000	9,000
b) Seed	123	106	108	108	115
c) Industrial processing	180	240	250	250	350
d) Losses		891	900	850	950
e) Human consumption	550	532	535	540	540
2. Exports	52	20	280	280	1,045
3. Changes in inventory (+, -)	1,414	+1,689	-573	-328	--

In the next medium-term period corn production is expected to increase to at least 12 million tons in 1985, which would be enough not only to cover domestic consumption and build up adequate reserves, but also to export about 1 million tons. Reserves for increasing yields on private farms have to be taken advantage of to increase the production of corn.

Rice

In spite of the sizable growth of rice production in SR [Socialist Republic] Macedonia, some domestic consumption is met through imports (Table 9). In the coming period a further growth of production is envisaged, so that in 1985 output might reach about 35 million tons. The share of domestic production in meeting domestic consumption would increase from 55 percent in 1980 to 70 percent in 1985.

Table 9. Rice (polished) (in thousands of tons)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
I. 1. Production	22	22	26	26	30
2. Imports	5	8	20	4	15
3. Available (1+2)	27	30	45	29	45
II. 1. Consumption	43	31	50	45	55
a) Livestock feed	--	--	--	--	--
b) Seed	2	2	2	2	3
c) Industrial processing	--	--	--	--	--
d) Losses	--	--	--	--	--
e) Human consumption	41	29	42	43	52
2. Exports	--	--	--	--	--
3. Changes in inventory (+, -)	-16	-1	-15	16	-10

Tobacco

Tobacco production has been unstable; yields have been low, and the farmers' income has been scanty (Table 10). Tobacco consumption in Yugoslavia has mainly been staying at the same level, but difficulties have been arising with exports, and there has been keen competition from other exporting countries. Annual tobacco exports range between 25,000 and 28,000 tons and between \$80 and \$85 million. In the period up to 1985 tobacco production is expected to reach about 75,000 tons, which is about 20 percent more than the 1979-1980 average. Since more and more tobacco has been exported in the leaf in recent years, in the coming period, in view of the available facilities, the tendency should be toward increasing exports of finished products (fermented tobacco, cigarettes and the like).

Table 10. Tobacco (in the leaf) (in thousands of tons)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
I. 1. Production	70	67	56	60	75
2. Imports	--	4	6	4	5
3. Available (1+2)	70	71	62	64	80
II. 1. Consumption	46	51	51	51	52
2. Exports	28	28	25	25	28
3. Changes in inventory (+, -)	-4	-8	-14	-12	--

Sugar Beets and Sugar

In past years there has been a substantial increase in the production of sugar beets and sugar, which since 1978 has made it possible for us to give up imports of sugar (Table 11). In 1979 there was a record sugar production of 783,000 tons, so that aside from covering domestic consumption, it was also possible to increase export of sugar. However, in 1980 there was a drop in the area planted to sugar beets, and that resulted in a smaller output of sugar (about 680,000 tons). At the same time in 1980 there was an appreciable increase in sugar sales, which is explained by a certain increase in household inventories and larger use of sugar in production of alcoholic beverages. The tendency of a high demand for sugar also carried over into 1981, and it is estimated that certain amounts of sugar will have to be imported (80,000 tons). Sugar prices on the domestic market are relatively low and at the same time appreciably lower than prices at which the imported sugar could be obtained.

Table 11. Sugar Beets and Sugar (in thousands of tons)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
A. Sugar beet production	--	5,924	5,405	6,500	8,720
B. Sugar balance					
I. 1. Production	527	783	680	800	1,100
2. Imports	111	--	--	80	--
3. Available (1+2)	638	783	680	880	1,100

Table 11 (continued)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
II. 1. Consumption	662	653	769	790	825
2. Exports	2	65	289	--	275
3. Changes of inventory (+, -)	-26	+65	-378	+90	--

Sugar beet production is expected to reach 8.72 million tons in 1985, which means sugar production of about 1.1 million tons, and this would not only meet domestic consumption (about 36 kg per year on a per capita basis), but would also make it possible to build up adequate reserves and export sugar. The existing sugar mills can process the planned volume of production of sugar beets within the appropriate time period, so that in the period up to 1985 there is no need to build new processing facilities.

Oilseed and Edible Oil

The production of oilseed, especially of sunflower seed and rapeseed used for oil, has shown a tendency toward substantial growth, so that in 1979 an output of 294,000 tons of raw oil was achieved (including about 34,000 tons obtained from imported soybeans). This output has covered the need for domestic consumption and at the same time has increased inventories and exports (Table 12). In 1980 there was a substantial drop in the production of all oilseed, which brought about a large reduction in the production of oil. At the same time there was a drop in the offering of oil on the market, and more intensive and excessive purchasing for household inventories. In order to overcome the difficulties in the supply of oil imports were increased in 1980, and imports are also planned in 1981. However, in spite of the imports, a shortage of edible oil is still felt on the market.

Table 12. Oilseed and Edible Oil (in thousands of tons)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
A. Oilseed production		685	429	680	980
a) Sunflower seed		525	306	530	750
b) Rapeseed		93	68	85	110
c) Soybeans		67	55	65	120
B. Balance of edible (raw) oil					
I. 1. Production	140	294	231	170	380
2. Imports	128	11	94	90	--
3. Available (1+2)	268	305	325	260	380
II. 1. Consumption	253	261	292	275	300
2. Exports	--	41	15	--	80
3. Changes of inventory (+, -)	+15	+23	+18	-15	--

In the period up to 1985 an appreciable increase in the production of oilseed is envisaged so as to make it possible to produce about 380,000 tons of oil. If that production is achieved, it would not only cover domestic consumption but would also make it possible to build up adequate inventories and increase

exports of oil. In the oil industry, aside from updating, no construction of new capacity is planned, and the increased production of oilseed would make it possible to use this capability much more efficiently.

Meat

Total meat production will increase about 290,000 tons between 1981 and 1985 (an average annual increase of about 58,000 tons), which will make it possible to increase consumption (about 59 kg on a per capita basis), to substantially boost exports and to put an end to imports (Table 13).

Table 13. Meat--Total (beef, pork, mutton, poultry meat, horsemeat and edible offals) (in thousands of tons)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
I. 1. Production	1,052	1,256	1,260	1,300	1,550
2. Imports	8	58	63	53	--
3. Available (1+2)	1,060	1,314	1,323	1,383	1,550
II. 1. Consumption	973	1,209	1,202	1,230	1,380
2. Exports	120	97	108	116	170
3. Changes of inventory (+, -)	-33	+8	+13	+37	--

In the period from 1981 to 1985 a somewhat more dynamic growth of production of beef is envisaged (an annual average growth rate of about 3.5 percent), which should make it possible not only to cover domestic consumption, but also to halt imports and increase exports. It is envisaged that net exports of beef in 1985 could amount to about 80,000 tons, as against 20,000 tons in 1980. More stable development of cattleraising presupposes conclusion of production contracts over longer periods of time in line with the production process, and in this income-sharing arrangements between livestock raisers and the meat industry have particular importance.

It is envisaged that in the period up to 1985 it would be possible to achieve and stabilize a level of pork production that would meet domestic consumption and at the same time increase exports. This would at the same time make it possible to make fuller use of capacity in the meat industry and also to increase exports of processed meat products. The conclusion of contracts on the basis of shared income in this production-technological cycle--from the raising of hogs, the slaughterhouse industry, the livestock feed industry to the organizations we have mentioned, is an essential condition for achieving the planned targets in this production.

Sheepraising

The socioeconomic changes that have occurred have attempted to reduce sheep-raising where capital formation is low, and its share in animal husbandry has dropped considerably. The share of mutton in total meat production is only about 5 percent.

In the coming period it is assumed that the adverse trends in sheepraising will be overcome and at the same time there will be an increase in the production of mutton and better-quality wool (Table 14). The pace of this process will depend on joint measures, which must be synchronized and programmed on a more long-term basis.

Table 14. Sheepraising (in thousands of tons)

	<u>1975</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1985</u>
A. Sheep for slaughter (live weight)		117	120	124	148
B. Mutton					
I. 1. Production		63	64	65	80
2. Imports		--	--	--	--
3. Available (1+2)		63	64	65	80
II. 1. Consumption		58	59	60	74
2. Exports		3	3	3	6
3. Changes of inventory (+, -)		+2	+2	+2	--
C. Wool					
I. 1. Production		10	10	10	12
2. Imports*		25	21	23	25
3. Available (1+2)		35	31	33	37
II. 1. Consumption		33	30	32	36
2. Exports*		2	1	1	1
3. Changes of inventory (+, -)		--	--	--	--

* Scoured wool.

7045

CSO: 2800/434

END

END OF

FICHE

DATE FILMED

9/9

